# FINANCIAL TIMES

FRIDAY 20 MARCH 2015

WORLD BUSINESS NEWSPAPER

UK £2.50 Channel Islands £2.80; Republic of Ireland €3.00



**Nasdaq rules**
'Formidable' tech stock index comes of age — MARKETS, PAGE 34

**Lawless Libya**
Rapid rise of Isis fuels fears over anarchic state — BIG READ, PAGE 13



**Cameron adrift**
Premier's holiday from global affairs — PHILIP STEPHENS, PAGE 15


## Not happy Pharrell Williams speaks out over copyright ruling

EXCLUSIVE INTERVIEW

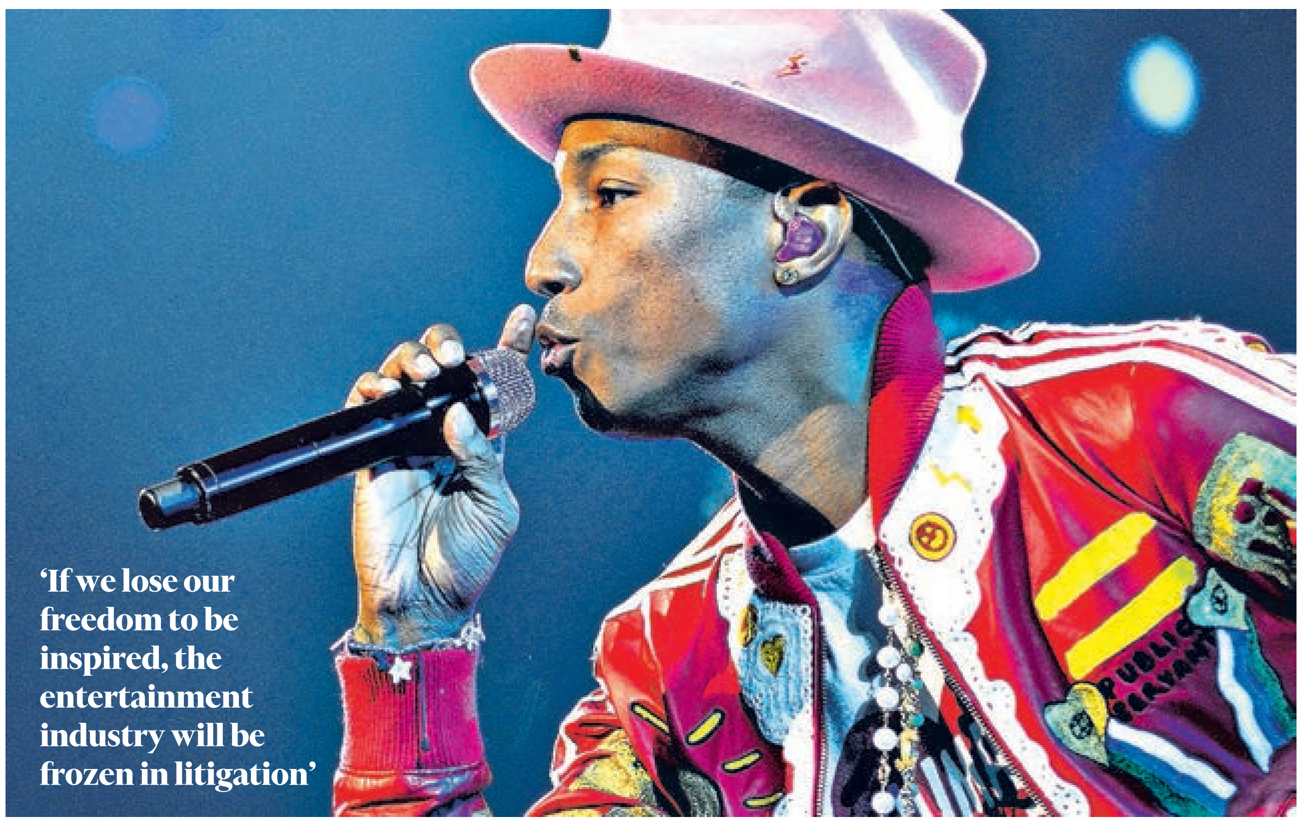
Is it possible to copyright a feeling? Pharrell Williams says no, acknowledging that his track *Blurred Lines* was inspired by Marvin Gaye's *Got to Give It Up* but denying he infringed copyright.

Last week he and singer Robin Thicke were ordered to pay $7.3m damages to the Gaye estate by a US court. In his first interview since the verdict, the Grammy winner told the FT that the decision could be ruinous for creative work from movies to fashion and design.

"There are songs that utilise other material," he said. "But until now there hasn't been copyright infringement, which is why this is so scary."

Marvin Gaye pictured in Los Angeles in 1973


Full interview page 8

'If we lose our freedom to be inspired, the entertainment industry will be frozen in litigation'

# Fed's mixed signals expose gulf with markets over rate forecasts

- 'Moonwalk' message said to be conflicting
- BoE economist says UK cut a possibility

MICHAEL MACKENZIE — LONDON
SAM FLEMING — WASHINGTON
STEPHEN FOLEY — NEW YORK

Bond investors are betting that US rates will stay near historic lows following mixed signals from the Federal Reserve, highlighting a persistent gulf in expectations between the central bank and markets.

A day after the Fed dropped its pledge to be "patient" over lifting rates, traders were betting that its key interest rate would be just 1.80 per cent by the end of 2017. Market rates rose slightly yesterday but investors' forecasts are still well below the Fed's own projections.

Tad Rivelle, chief investment officer for fixed income at TCW, said that the Fed was giving the markets conflicting messages on rates, describing its signalling as similar to a "Michael Jackson moonwalk".

"It looks like you are going one way but in fact you are moving in the other direction," he said.

The markets' expectations of low US rates for longer came as the Bank of England's chief economist said he would consider a further cut in UK interest rates if low inflation persisted. But Andy Haldane stressed that he did not see an immediate case for a move in either direction, pointing out that his view stood in contrast with the majority of the Monetary Policy Committee.

Janet Yellen, the Fed chairwoman, said on Wednesday that the majority of members of the Federal Open Market Committee were expecting rates to rise this year amid "considerable underlying strength" in the economy. But a series of reductions in the Fed's interest-rate projections alongside forecasts of weaker growth and inflation prompted traders to conclude that the central bank was taking a more cautious view of the economy — even as it opened up its options on rates. That suggested a move in June was now less likely, and traders were betting that by the end of the year the funds rate would be about 0.50 per cent up from the 0-0.25 per cent target.

The interplay between currencies and central bank policy has anchored US bond yields at low levels, bolstering market expectations that the pace of the next tightening cycle will be modest.

Investors yesterday seized on the Fed's decision to lower its estimate of the longer-term rate of unemployment to 5-5.2 per cent, suggesting that the US jobs market may have more slack than previously believed and allowing the FOMC to keep rates lower for longer.

**5%-5.2%**
Fed's estimate of longer-term rate of unemployment

**0.8%**
Dollar's increase against a basket of major rivals yesterday

Ms Yellen also highlighted the impact of the soaring dollar on the Fed's assessment of export growth and inflation. While the dollar reflected the US economy's strength, it would also act as a "notable drag" on net exports this year, she said, adding that it was pulling down import prices, pointing to low inflation for longer. The dollar had retraced most of its losses in the wake of the FOMC meeting, and was up 0.8 per cent against a basket of rivals late yesterday.


**BoE opens door to rate cut** page 4
**Editorial Comment** page 14
**Short View** page 19
**Markets** pages 32-34


## Briefing

**▸ US reconsiders its UN backing for Israel**
The White House has said it is rethinking its support for Israel at the UN, even as Benjamin Netanyahu appeared to row back his election comments rejecting a Palestinian state which the US labelled 'cynical' and 'divisive'. — PAGE 6

**▸ Inside trader helps to hook US big fish**
Convicted insider trader Julian Rifat, described as 'the face of Moore Capital' in London, has co-operated with a US probe that will see an 'important individual' charged in days.— PAGE 19

**▸ Deutsche Bank pressed to sell Postbank**
Investors in Deutsche Bank are pushing for a sale of the group's Postbank retail unit as the German lender's supervisory board looks for ways to bolster returns in the face of tough conditions.— PAGE 21

**▸ Holcim and Lafarge salvage merger**
Holcim and Lafarge have reached an agreement to salvage their €40bn merger to form the world's biggest cement company, and are set to outline new terms as early as today.— WWW.FT.COM/INDUSTRIALS

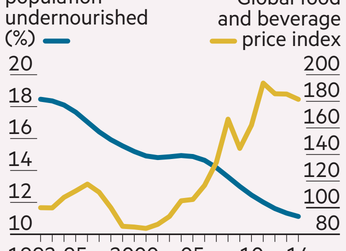
**▸ Former Australian premier Fraser dies**
Malcolm Fraser, the ex-Australian prime minister has died aged 84. His conservative Liberal Party came to power in a constitutional crisis in 1975 and he stayed in office until 1983. — WWW.FT.COM/WORLD

**▸ Uber chief scoops Boldness prize**
Travis Kalanick, head of ride-hailing company Uber, has won the 2015 Boldness in Business Person of the Year award, sponsored by the Financial Times and steelmaker ArcelorMittal.— MAGAZINE

**▸ Design award for Financial Times**
The Financial Times 2014 newspaper redesign has won an Award of Excellence from the US-based Society for News Design in its annual awards.

## Datawatch

**Global hunger and food prices**




Sources: FAO; Haver Analytics

The number of people without enough to eat hit an all-time low last year of 805m, or 11 per cent of the global population. This is despite food prices hitting an all-time high in 2011

**French leave Brits behind on productivity measures**

Some of George Osborne's jibes against France during his Budget speech can be justified, on some measures. But labour productivity — the amount of output per worker or hour worked — is substantially higher across the Channel and, since the financial crisis, has grown faster. Over the past two decades French workers have, on average, been 20 per cent more productive than UK employees.
**Analysis** ▸ PAGE 3

# Osborne accused of pork barrel politics over funds to fight kebab-stealing seagulls

ELIZABETH RIGBY, JIM PICKARD AND KIRAN STACEY

**Labour has accused George Osborne of dipping into the pork barrel after it emerged that the chancellor's Budget contained a series of initiatives aimed at marginal seats — including a project to tackle the menace of kebab-stealing urban seagulls.**

With 50 days to go to the election, Mr Osborne used his sixth Budget to hand out sweeteners to a range of Conservative and Liberal Democrat MPs.

Tory MP Andrew Stephenson, defending a 3,500 majority in Pendle, was awarded £56,000 to upgrade his local theatre while £250,000 will be spent researching aggressive urban seagulls in Bath — at the behest of Lib Dem MP Don Foster.

Asked to explain the Bath plan, the Treasury said there had been "reports of seagulls stealing people's kebabs" and that the menace of urban seagull attacks was widespread.

The chancellor gave £97m to support the regeneration of Brent Cross in Hendon, where Conservative MP Matthew Offord is defending a majority of just 106: a further £7m was earmarked for the Croydon Growth Zone, to the delight of local Conservative Gavin Barwell.

The Financial Times has found 16 examples of where MPs in marginal seats have been offered assistance in the form of direct funding, housing or enterprise zones.

"This is pork barrel politics at its worst," said Jon Ashworth, Labour's shadow cabinet office minister.

One Treasury insider said that while all projects have to pass Treasury rules, constituencies with a small majority had been of particular focus. "There has been a push to fund things that will be helpful in certain places."

Under the rules, any public spending has to be signed off as being value for money by the relevant accounting officer in Whitehall. A Treasury spokesman insisted money had not been disproportionately funnelled to marginal seats, noting the coalition government had committed to invest £13bn in transport infrastructure across Labour-held territory in the north of England.

Danny Alexander, Lib Dem Treasury chief secretary, meanwhile announced funding to help residents across the northeast of Scotland, including his Inverness constituency, save an average of £30 from household electricity bills.


**Budget aftermath** page 2 and 3
**Martin Wolf** page 15
**StanChart shift urged** page 19









No: 38,807 ★ ★ ★

Printed in London, Liverpool, Dublin, Frankfurt, Brussels, Milan, Madrid, New York, Chicago, San Francisco, Washington DC, Tokyo, Hong Kong, Singapore, Seoul, Dubai


## World Markets

**STOCK MARKETS**

| | Mar 19 | prev | %chg |
|---|---|---|---|
| S&P 500 | 2089.27 | 2099.50 | -0.49 |
| Nasdaq Composite | 4992.38 | 4982.83 | 0.19 |
| Dow Jones Ind | 17959.03 | 18076.19 | -0.65 |
| FTSEurofirst 300 | 1597.56 | 1590.25 | 0.46 |
| Euro Stoxx 50 | 3670.73 | 3668.52 | 0.06 |
| FTSE 100 | 6962.32 | 6945.20 | 0.25 |
| FTSE All-Share | 3758.09 | 3747.38 | 0.29 |
| CAC 40 | 5037.18 | 5033.42 | 0.07 |
| Xetra Dax | 11899.40 | 11922.77 | -0.20 |
| Nikkei | 19476.56 | 19544.48 | -0.35 |
| Hang Seng | 24468.89 | 24120.08 | 1.45 |
| FTSE All World $ | 281.23 | 281.42 | -0.07 |

**CURRENCIES**

| | Mar 19 | prev | | Mar 19 | prev |
|---|---|---|---|---|---|
| $ per € | 1.062 | 1.064 | € per $ | 0.941 | 0.940 |
| $ per £ | 1.473 | 1.469 | £ per $ | 0.679 | 0.681 |
| £ per € | 0.721 | 0.725 | € per £ | 1.386 | 1.380 |
| ¥ per $ | 120.935 | 120.905 | ¥ per € | 128.475 | 128.685 |
| ¥ per £ | 178.108 | 177.556 | £ index | 89.748 | 90.319 |
| € index | 84.544 | 84.216 | $ index | 104.813 | 104.989 |
| SFr per € | 1.054 | 1.059 | SFr per £ | 1.461 | 1.461 |

**COMMODITIES**

| | Mar 19 | prev | %chg |
|---|---|---|---|
| Oil WTI $ | 45.61 | 46.65 | -2.23 |
| Oil Brent $ | 54.41 | 55.91 | -2.68 |
| Gold $ | 1166.00 | 1147.25 | 1.63 |

**INTEREST RATES**

| | price | yield | chg |
|---|---|---|---|
| US Gov 10 yr | 100.20 | 1.98 | 0.06 |
| UK Gov 10 yr | 102.90 | 1.70 | 0.00 |
| Ger Gov 10 yr | 103.08 | 0.19 | -0.01 |
| Jpn Gov 10 yr | 100.72 | 0.33 | -0.01 |
| US Gov 30 yr | 99.08 | 2.55 | 0.04 |
| Ger Gov 2 yr | 100.59 | -0.22 | 0.00 |
| | price | prev | chg |
| Fed Funds Eff | 0.12 | 0.11 | 0.01 |
| US 3m Bills | 0.05 | 0.05 | 0.00 |
| Euro Libor 3m | 0.02 | 0.02 | 0.00 |
| UK 3m | 0.56 | 0.56 | 0.00 |

Prices are latest for edition — Data provided by Morningstar

BUDGET 2015. THE AFTERMATH

Public spending

# Osborne's vow to reverse cuts puts focus on where axe falls

## Chancellor's 'rollercoaster' profile for public services spending causes confusion

GEORGE PARKER — POLITICAL EDITOR

George Osborne's Budget was intended to soften his "austerity chancellor" image, but his decision to reverse cuts at the end of the next parliament only refocused attention on what he would axe in the meantime.

Ed Miliband, Labour's leader, claimed Mr Osborne would "bring public services to their knees", while the Institute for Fiscal Studies said it was "frustrated" with the chancellor's failure to say where the blade would fall.

This was not the script the chancellor had in mind. Mr Osborne used his sixth Budget to announce that austerity would end a year early and that £20bn of extra cash would be pumped into public services in 2019/20.

Mr Osborne hoped that by doing so he would fix a political problem: fending off Labour's claim that public spending as a share of national income would fall to 1930s levels by the end of the next parliament.

'A police force might have to lay off an officer, only to re-engage them a year later'

Instead he created a new problem: by planning to boost spending in 2019/20 he has created what his own Office for Budget Responsibility called a "rollercoaster" profile for public spending: a big drop followed by a big rise.

Alistair Darling, former Labour chancellor, said: "This is what happens when you try to be too clever by half. You now have a situation where a police force might have to lay off an officer, only to re-engage them a year later."

Political and media attention quickly moved on to the downhill element of Mr Osborne's big-dipper plan — a fiscal consolidation of £30bn by 2017/18 — and how he intended to fund it.

The chancellor told BBC Radio 4's *Today* programme yesterday that the planned cuts over the next two years to departmental spending would be "at the same pace" as the cuts in this parliament. He said the OBR had assumed the axe would fall solely on public services and had not taken into account his plans to close the deficit, partly by £12bn of welfare cuts and by closing tax loopholes that would bring in £5bn.

Mr Osborne insists that voters should judge him on his record and that he had shown he was capable of finding welfare savings; but by excluding pensioners from future cuts, the working-age poor will bear the brunt.

The IFS said it was "frustrated" that Mr Osborne could not give more details and concluded that planned spending cuts for 2016/17 and 2017/18 would be "twice the size of any year's cuts over this parliament" — if Mr Osborne's planned welfare cuts and tax avoidance measures failed to materialise.

Mr Miliband said: "Public services and the damage this government will do are on the ballot paper at this election."

Labour claims that Mr Osborne will either raise VAT or cut the NHS to make his sums add up.

The renewed focus on Mr Osborne's austerity plans for the first half of the next parliament will be frustrating for the chancellor, whose Budget did not affect by a single penny his plan to cut £30bn by 2017/18.

Indeed, the general conclusion at Westminster of Tory and Labour MPs was that Mr Osborne's Budget was surprisingly cautious, given that an election is only 50 days away but contained some welcome measures.

Ed Balls, the shadow chancellor, claimed it was a "pretty empty" package but admitted that Labour would support all of its key measures, including a cut to the personal tax allowance and new tax breaks for savers.

Labour had feared that Mr Osborne's Budget would include a move to transform the terms of the economic debate. "It hasn't changed the fundamentals at all," said one Labour official. "We're having exactly the same discussion we could have had last week."

Although some Tory MPs had hoped for more ambitious tax cuts in the Budget, most said it reinforced the party's key message of stable economic stewardship.

David Ruffley, a Tory member of the Commons treasury committee, said it was "masterly", adding: "It was economically grown up and in the national interest but it was also excellent politics."

Meanwhile, in an uncomfortable echo of Mr Osborne's "omnishambles" Budget of 2012, the chancellor was accused by Labour of making a U-turn over a tax break originally aimed at full orchestras.

After Labour claimed the move discriminated against brass bands, Mr Osborne intervened to tackle the "trumpet tax" allegation and changed guidance to include musical groups that did not encompass all four main musical groups: string, woodwind, brass and percussion.

Big dipper: Osborne plans to cut, then pump in extra cash

Tax crackdown

# Failure to curb evasion will result in charges

VANESSA HOULDER AND KIRAN STACEY

**A new offence that will see companies charged if they fail to prevent tax evasion was announced yesterday, as the Treasury steps up efforts to prise open secret offshore accounts.**

The government also unveiled plans to create a criminal offence that would target individuals who had failed to pay tax on offshore income, regardless of their intentions.

The measures were unveiled as ministers attempted to show they had cracked down on abuses, in the wake of a political storm over a tax evasion scandal at HSBC's Swiss banking operation.

Danny Alexander, the chief secretary to the Treasury, presented an alternative Liberal Democrat Budget to MPs yesterday. He also gave more details about tax measures the coalition government intends to implement in its final few weeks. As well as removing ignorance of the law as a defence for evasion, and levying fines on companies and individuals who facilitate or fail to prevent evasion, the government intends to increase penalties for offshore evaders and allow officials to name those who help others evade tax.

The proposal to create a "strict liability" offence of offshore tax evasion — meaning an individual could be prosecuted regardless of whether there was evidence of an intention to break the law — was first put forward last year.

But it was heavily criticised by the Law Society, which said it was likely to breach the right to a fair trial. Although many tax professionals expected the government to drop the measure, it has been pushed forward in the wake of the HSBC Swiss banking row.

The government said there would be consultation on "appropriate defences and thresholds" before the measure was introduced. "The public will not tolerate being stolen from any more," Mr Alexander said.

Jason Collins, a partner at Pinsent Masons, a law firm, said the creation of a new offence for companies that facilitate or fail to prevent evasion was likely to result in changes in corporate culture and better controls, similar to those introduced after the 2010 Bribery Act.

> **Avoidance code**
> Treasury rejects MPs' arguments that the tax industry 'cannot be trusted to regulate itself'
> ft.com/uknews

At present, banks and professionals such as lawyers and accountants must report clients who may be committing money laundering, but under the new rules they will need to go much further.

Simon Wilks, tax partner at PwC consultancy, said the new corporate offence would be a big change for companies, which will "not only have to ensure they are not helping people to evade tax but also stop evasion happening".

In a consultation paper last summer, the Treasury said it did not expect to apply the "strict liability" measure in cases where the account was held in countries that were automatically exchanging information. But Mr Collins said this exemption was likely to have been dropped because more than 90 countries — far more than expected — had agreed to exchange information.

The government also announced a toughening of penalties that HM Revenue & Customs could apply, including a power to take a portion of the asset that had been hidden. HMRC will also have more resources to pay rewards for information on evasion.

Help to Buy Isa

# First-timers' subsidy will drive up prices, say experts

**Struggle for supply** New homes more important, says industry

Chris Ratcliffe/Bloomberg

**The estate agent**
'It will amount to hollow words if there are no properties available for [first-time buyers]'

**The campaign group**
'They [Isas] directly push taxpayers' money into the housing market, which can only push up prices'

**The economist**
'If there is no extra supply, overall affordability cannot increase'

**The mortgage lender**
'It's not the same as helping to create homes to buy'

KATE ALLEN
— PROPERTY CORRESPONDENT

**George Osborne's latest home ownership subsidy has been attacked by economists and housing experts who have called for a huge increase in housebuilding instead.**

The Help To Buy individual savings account, announced in the Budget on Wednesday, will give first-time buyers a 25 per cent deposit subsidy — an extra £50 for every £200 they save.

The maximum initial deposit in the account will be £1,000, with maximum monthly deposits of £200 — meaning it would take savers four-and-a-half years to build up £15,000, or a 10 per cent deposit on the average UK home.

Stuart Adam, a senior research economist at the Institute for Fiscal Studies, said the Isas risked pushing up house prices by fuelling demand without triggering more housebuilding. "If there is no extra supply, overall affordability cannot increase," he said. "Although first-time buyers can still gain, others looking to buy a more expensive home [will] find it harder."

Researchers at Capital Economics estimate that the scheme would give potential buyers an extra £60,000 to spend, once their additional borrowing scope is taken into account.

"With greater purchasing power, first-time buyers will simply bid the prices of homes up," said Matthew Pointon, Capital Economics' property economist. "Once again, a scheme designed to help one generation of homebuyers will end up reducing the chance of home ownership for the next generation."

The chancellor's announcement risked lowering housing market activity in the short term, as potential buyers wait for the Isa to launch this autumn, he added; the IFS said this effect could last until 2020 when the first buyers to use the scheme would enter the market.

Gavin Smart, interim chief executive of the Chartered Institute of Housing, said the Isa "failed to address the fundamental problem that we are simply not building enough homes".

Mr Osborne "tiptoed around the elephant in the room", Adrian Gill, director of estate agencies Your Move and Reeds Rains, said: "It's all well and good getting first-time buyer finances in shape but it will amount to hollow words if there are no properties available for them to buy."

The £2.2bn estimated cost of the policy during the next five years would pay for nearly 65,000 affordable homes to be built, said housing charity Shelter.

Campbell Robb, Shelter chief executive, said the Isa was "yet another example of government attempting to put a sticking plaster over a gaping wound".

"We need to double the number of homes built a year," he said. "Only measures that actually build more homes will make a material difference."

Affordable housing campaign Priced Out called the new Isas "total madness". "They directly push taxpayers' money into the housing market, which can only push up prices," the campaign tweeted.

Jeremy Duncombe, director of mortgage broker the Legal & General Mortgage Club, said the policy was "broadly welcome" but "not the same as helping to create homes to buy".

Other estate agents and researchers praised the scheme. Fionnuala Earley, director of research at Hamptons International, said: "We see this as great news for those who are saving for a property."

Lucian Cook, UK director of residential research at Savills, said that limiting the subsidy to £3,000 per saver "should prevent a surge in house prices".



**FINANCIAL TIMES**
Number One Southwark Bridge,
London SE1 9HL

**Published by:** The Financial Times Limited,
Number One Southwark Bridge,
London SE1 9 HL, United Kingdom.
Tel: 020 7873 3000; Fax: 020 7407 5700
Editor: Lionel Barber

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**Printed by:**
St Clements Press (1988) Ltd, London, Newsprinters (Knowsley) Limited, Merseyside and Smurfit Kappa News Press Ld, Kells, Ireland



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Competition

# Coalition promises to make banks share customer data

EMMA DUNKLEY

**The government has pledged to force British banks to open up access to customer data in an attempt to inject competition into the industry and help consumers shop around for the best deals.**

Banks sit on a wealth of information from their customers' current accounts and in his Budget on Wednesday George Osborne, the chancellor, unveiled plans to let technology groups use these data to make it easier for customers to search the market for banking products.

The government is also launching a new tool next week that allows people to compare current accounts and select the most appropriate according to their financial history.

In standardising access to data the government said it aimed to "increase competitive intensity by supporting the growth of technology that can be adopted by banks and non-bank providers to compete to offer new products".

Luke Scanlon, a technology expert at law firm Pinsent Masons, said the initiative would provide consumers with more secure access to tools such as account aggregation applications, where users gain a single view of their finances online.

New digital platforms that offer customers access to all their accounts on one screen, for example, currently require people to hand over their login details and passwords, potentially compromising security.

Peer-to-peer platforms, which connect individuals as lenders to borrowers, also stand to benefit from accessing more data to help inform lending decisions and mitigate default risk. "If there is an agreed standard for what data [are] transmitted and how often, then you get a level playing field and less asymmetry of information — the banks have got it all," said Louise Beaumont, head of public affairs at GLI Finance.

In the Budget the government confirmed plans to make big banks refer small businesses that they reject for finance to third-party platforms, who can find alternative sources of finance.

Lib Dems

# More gradual cut in welfare set out in 'alternative Budget'

KIRAN STACEY
— POLITICAL CORRESPONDENT

**The Liberal Democrats would cut government spending back to its lowest in nearly 20 years, Danny Alexander said yesterday in an unprecedented "alternative Budget" statement.**

The Treasury chief secretary was granted time in the Commons the day after the Budget to set out how the smaller coalition party would cut the deficit in the next parliament.

The plans involve eliminating the deficit by 2018, as outlined by the Conservatives. But Mr Alexander said this would be with £6bn of tax increases, allowing his party to cut welfare spending more gradually than its coalition partners.

The Lib Dems would cut departmental spending by £12bn, meaning that by 2020 government spending would return to the level of the early 2000s.

Mr Alexander was critical of George Osborne, his boss in the Treasury, accusing him of taking government consumption — the amount the government spends on goods and services — back to the same level as 1964.

Referring to the Ken Loach film about homelessness in the 1960s, Mr Alexander told MPs: "The era of *Cathy Come Home* is not my vision for the future of Britain."

The plans are key to the Lib Dems presenting themselves as equidistant from the two main parties in the run-up to the election. They commit the party to reducing the deficit as quickly as the Tories have promised, but then allow borrowing to continue for capital spending items only.

But they are unlikely to be enacted in their current form in any future government. Lib Dem advisers admitted none of what Mr Alexander announced constituted a "red line" in any coalition negotiations, leaving his plan simply a starting point for post-election talks.

Labour and Conservative MPs have protested that Mr Alexander was given Commons time to speak from the despatch box about something that was essentially Lib Dem party policy.

BUDGET 2015. THE AFTERMATH

# Chancellor's contentious claims: true or false?

Osborne's assertions on living standards, inequality, regional growth and giveaways are hotly disputed. How do they stand up to scrutiny?

CHRIS GILES, SARAH O'CONNOR AND EMILY CADMAN

With a general election seven weeks away, the chancellor's slogans dominated Budget day, many of them strongly disputed. The Financial Times examines four of George Osborne's most contentious claims.

**Britons are better off than they were in 2010**

Mr Osborne quoted data on "real household disposable income per capita", which he called the "most comprehensive measure of living standards".

The measure does have some advantages: it is fairly up-to-date and covers wages, self-employment, pensions, taxes and benefits. But it also has some odd features. It includes the incomes of "non-profit institutions" such as charities and universities. It also includes a measure of "imputed rents" — the rent that homeowners might receive if they did not live in their own home.

The other problem is that Mr Osborne is relying on forecasts for 2015 for his claim. The Institute for Fiscal Studies said living standards were close to 2010 levels, but the most important feature, according to its director, Paul Johnson was that "we are for sure much worse off than we could reasonably have expected to be back in 2007 or in 2010".

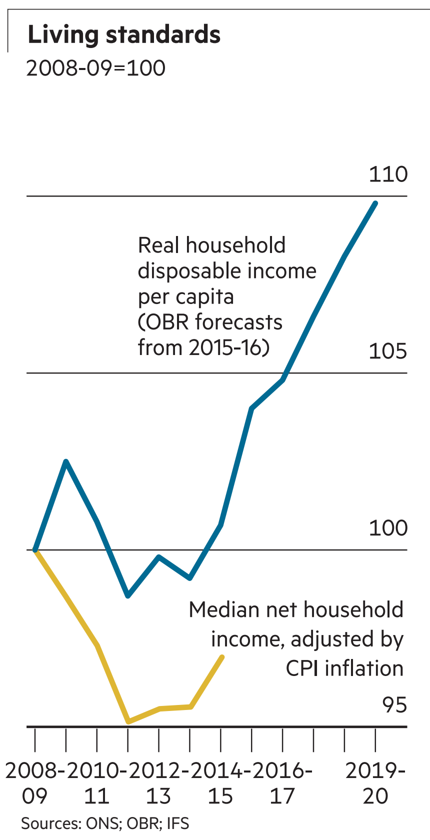
**Inequality is lower**

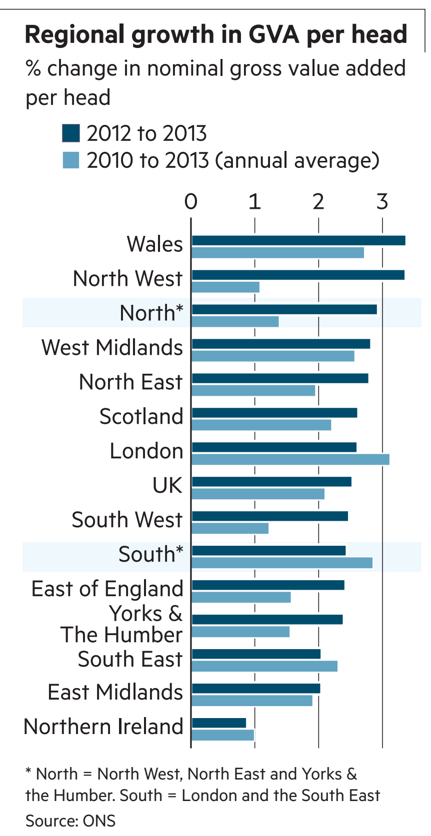
Mr Osborne was bold in saying "inequality is lower" since the public has been bombarded with the opposite message over the past year.

On almost every measure possible, Mr Osborne is right, the IFS confirmed yesterday. "Across the huge majority of the population, inequality has fallen a little," Mr Johnson said, although he added that the changes had been small. Tax and benefit changes since the start of deficit reduction in early 2010 (before the last election) have hit the rich and the poor hardest with the middle of the income distribution largely spared.

**Over the past year, the north grew faster than the south**

When Mr Osborne talks about growth in a national context, he is talking about the increase in gross domestic product after adjusting for inflation, since this is the best available measure of the rise in the volume of goods and services the economy produces.




While national data for 2014 exist, the most recent regional national accounts data refer to 2013 and do not adjust for inflation. Experimental data adjusted for inflation exist only for 2012.

In 2013, the rise in nominal GDP in London and the southeast was 3.5 per cent while the combined growth of the northeast, the northwest and Yorkshire was 3.26 per cent. The advantage of the south is even larger if the whole period 2010 to 2013 is used.

Ashwin Kumar of Liverpool Economics said "the chancellor was using data rather selectively". To generate his claim, he used the growth in per capita GDP in 2013 only. Between 2010 and 2013, London is still the fastest growing region, with the north in mid-table.

Mr Osborne was speaking about the growth of a region but was in fact measuring growth per person in one specific year. That year was the last year for which such data were available but it was not last year.

**No gimmicks**

If a gimmick is something small and designed to attract attention, Mr Osborne's Budget was stuffed full of them. The chancellor rattled out a whole range of measures — from help to those saving for a deposit for a house to money to fund the commemoration of the Battle of Agincourt — but most of these will cost the Treasury very little.

By far the biggest additional spending commitment was the decision to make further increases to the personal tax allowance, which the Treasury estimates will cost £960m in 2016-17, rising to £1.7bn by 2019-20, which was a relatively small part of Mr Osborne's speech. In comparison, the headline-grabbing pledge to partially match first-time buyer's savings for a deposit, is expected to cost £230m in 2016-17, rising to £835m in 2019-20.

**Lombard** page 24



Advanced economies. National comparison

# Boasts debunked as France gets last laugh on productivity

Britain has higher growth and more jobs but Gallic workers are outperforming the UK's

FERDINANDO GIUGLIANO AND SARAH O'CONNOR

The chancellor's Budget speech on Wednesday was peppered with references to Britain's fine economic health compared with France.

The UK "grew faster than any other major advanced economy in the world last year [ . . . ] and seven times faster than France", said George Osborne, adding that between 2010 and 2013 more jobs were created in Yorkshire than on the other side of the Channel.

Mr Osborne's jibes can be justified on some measures. Unemployment in France was 10.2 per cent last year, almost twice the UK rate. Gross domestic product in the UK grew by 2.6 per cent in 2014. In France it was a meagre 0.4 per cent.

However, on a measure that is crucial for both competitiveness and living standards, Mr Osborne should be envious of what is happening in France. Labour productivity — the amount of output per worker or hour worked — is substantially higher there and, since the financial crisis, has grown faster than in the UK.

Data show that in 2013, output per worker in France was 13 per cent higher than in the UK. But because Britons work longer hours than the French, on a comparison of GDP per hour, the difference jumps to a whopping 27 per cent.

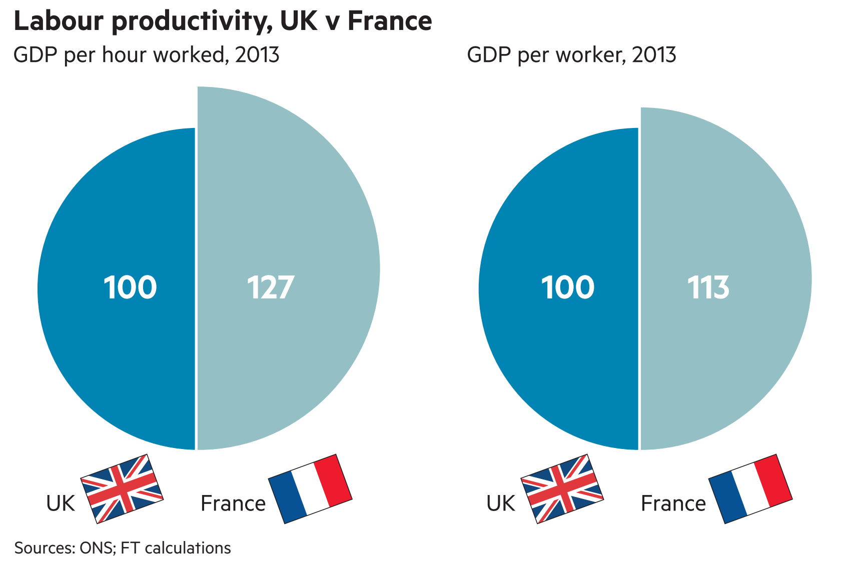
Over the past two decades, French workers have, on average, been 20 per cent more productive than their UK colleagues. But the gap in output per hour worked has grown wider since the crisis. While labour productivity in UK in 2013 was exactly where it was in 2008, in France it rose by about 3 per cent.

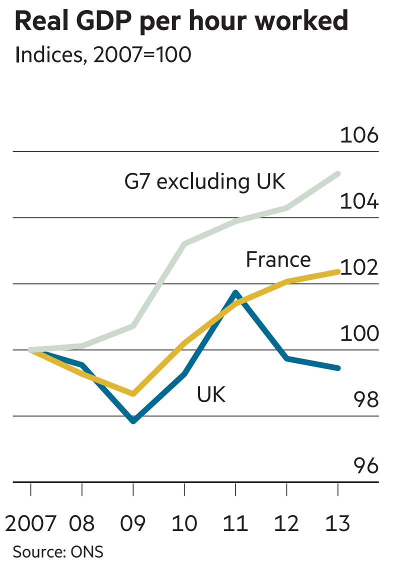
The trouble for the chancellor is that the gap between the countries is not the result of French exceptionalism. Output per hour worked in France was roughly on a par with Germany and just below the US. In the league of the world's seven most advanced nations, Britain is behind every one except Japan.

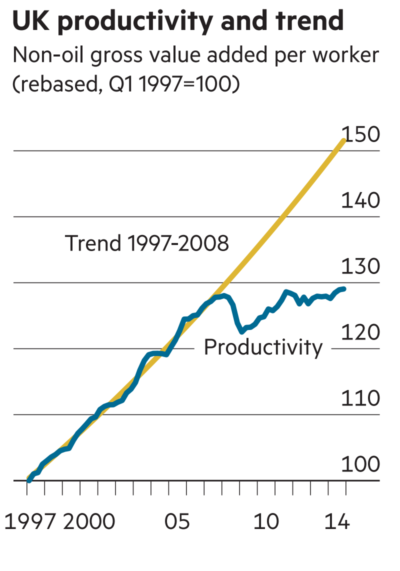

**France never tires** French workers are more productive


**But Britons burn out** Employees work longer hours in the UK

Photos: Guillaume Souvant/AFP; Jason Alden/Bloomberg




The Office for Budget Responsibility, the fiscal watchdog, is confident that, having halted in 2008, productivity growth will return to its pre-crisis trend. But in their twice-yearly economic and fiscal outlook, the OBR's economists warn this recovery will be slow and may not occur at all.

"We continue to assume that productivity growth will pick up slowly to more normal rates, but that remains the most important and uncertain judgment in our forecast," the OBR said.

The worries over productivity growth in the UK have led economists to urge the government to take action to boost the supply side of the economy.

"The fundamental fact of the British economy over the past seven years has been unprecedentedly poor productivity performance, leading to an unprecedented squeeze on living standards," said Jonathan Portes, director of the National Institute of Economic and Social Research.

"The question is, what should the government do? It should go hell for leather on doing whatever it can to boost productivity, like infrastructure investment and housing. We should be throwing the kitchen sink at it."

The UK Treasury insists it is tackling the problem. "We are implementing a far-reaching programme of structural reforms," it said, "including a pipeline of over £460bn of infrastructure investment; a plan to rebalance growth across the country . . . and a wide-ranging programme of school reform."

But there was some disappointment with the Budget. "I was dismayed that the productivity issue just didn't feature," said Prof Geraint Johnes, director of the Work Foundation, a think-tank. "There was nothing to encourage investment, innovation, patent protection."

Yet Michael Saunders, an economist at Citi, said low unemployment and low productivity was much better than the French alternative of high productivity and high unemployment.

**Martin Wolf** page 15

Treasury planning

## 'Candour deficit' identified in public spending

CHRIS GILES — ECONOMICS EDITOR

**Political parties were accused of a "candour deficit" on public spending as economists scrutinised the fine print of the Budget yesterday.**

George Osborne's gambit to raise public spending in the last year of this decade to prevent it falling to 1930s levels as a share of national income prompted many economists to say his plans now look very odd.

Robert Chote, chairman of the Office for Budget Responsibility, annoyed the Treasury on Budget day by talking of a "rollercoaster" profile for public spending. He described deeper real-terms cuts to public services in 2016-17 and 2017-18 than over the past five years, followed by a splurge in 2019-20.

His rollercoaster description compared public spending over the next few years with its level in the financial year about to start, 2015-16.

An alternative method is to compare the plans for public spending in the Budget with those set out in December's Autumn Statement. On this comparison, austerity has been loosened in every year because Mr Osborne used some windfall gains forecast from cheaper debt servicing to boost spending on health, education, justice and other public services.

Compared with his December plans, the Treasury estimated that it had increased the money available for public services by £3bn in 2016-17 rising to £12bn in 2018-19 and then leaping to £30bn in 2019-20.

On this comparison, there is significantly more money available for the next government. This could give Labour a new "No Cuts" election slogan, given its willingness to borrow £30bn a year more than the Tories by the end of the decade.

Adam Corlett, of the Resolution Foundation, said: "Labour could feasibly reach its target of a current balance budget by the end of the parliament without any real-terms cuts."

However, Paul Johnson, director of the Institute for Fiscal Studies, said that all of these calculations were highly uncertain because no political parties were outlining exactly what they would cut, how much they would borrow and whether they would raise taxes.

The Conservatives have pledged not to accelerate cuts to public services after 2015-16, saying they would instead find £12bn a year of cuts to working-age social security, around 10 per cent of the total budget.

But they have not outlined what these would be, frustrating economists such as Mr Johnson.

The IFS said it was likely that the Budget plans would not last long and any new government would revise the path of welfare spending, public service spending and taxation later this year. "Whitehall departments are going to have to plan for some dramatically differing scenarios, one of which they will have to implement in just 12 months' time," Mr Johnson said.

Standard & Poor's

## Falling bank profits cast doubt on rise in levy

MARTIN ARNOLD — BANKING EDITOR

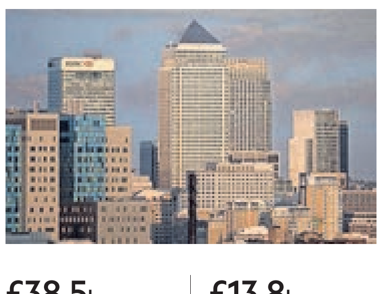
**George Osborne has justified his one-third rise in the UK bank levy by saying banks could afford a higher contribution to public finances because they were becoming more profitable.**

But figures published yesterday by Standard & Poor's, the rating agency raised questions about the chancellor's Budget day assertion.

Pre-provision operating profits fell at three of the four biggest banks last year — Barclays, HSBC and Royal Bank of Scotland. Only Lloyds Banking Group increased its pre-provision operating profits. Overall, the four made £38.5bn of pre-provision profits last year, down from £42.5bn in the previous year.

The banks benefited from "underlying progress in improving operating performance for most core businesses" but this was offset by the "drag of exceptional expenses and restructuring costs", S&P said. It said the big four banks put aside almost £28bn to cover the cost of misconduct, litigation and restructuring over the past two years, which meant they fell below their targets for return on equity.

S&P forecast one-off costs, which fell only slightly to £13.8bn last year, would continue to drag on banks' performance, especially when added to the cost of regulation. In total, one-off costs for the big four UK banks amounted to more than the £26.3bn of pre-tax profits they made over the past two years.



**£38.5bn** Pre-provision operating profits of the big four for 2014

**£13.8bn** Total one-off costs for the big four UK banks last year

"These exceptional expenses, along with ringfencing and other regulatory changes, could make achieving their return on equity targets challenging."

Pre-tax profits, including exceptional items, fell at Barclays and HSBC, but rose at Lloyds. RBS made a loss, albeit a fraction of the one it made a year earlier.

"Yet despite these headwinds, banks continued to strengthen their regulatory capital positions, with progress on deleveraging and risk reduction compensating for the limited contribution of retained earnings to capital building," S&P said. It said the banks had benefited from a strengthening economy, which produced "modest net loan growth" and boosted net interest margins — the difference between what banks pay on deposits and earn on loans.

Loan impairment charges dropped well below the 25-year average of 71 basis points to below 20 basis points — their lowest in more than two decades.

NATIONAL

Monetary stance

# BoE chief economist opens door on rate cut

Haldane suggests policy 'may need to move off either foot' in near future

EMILY CADMAN

The Bank of England's chief economist has opened the door to a further cut in interest rates if low inflation persists, expressing a dovish view that stands in contrast with the majority of the Monetary Policy Committee.

In a speech on Wednesday, Andy Haldane said while he did not see an immediate case for a move in either direction, "I think the chances of a rate rise or cut are broadly evenly balanced. In other words, my view would be that policy may need to move off either foot in the immediate period ahead, depending on which way risks break."

Mr Haldane stressed this was a personal view and should not be taken to represent a change in the overall view of the MPC. But his remarks will reopen the debate on whether the UK could experience even lower interest rates.

It is also a markedly different view from that expressed by Mark Carney, the bank's governor, who told a House of Lords committee recently that it would be "extremely foolish" to cut rates or expand quantitative easing in response to falling oil prices unless lower inflation was hurting wage growth, consumer spending and business investment.

In February, the BoE changed its guidance on what it considered to be the floor for interest rates, saying it believed they could be cut to below 0.5 per cent if the economy required further stimulus.

While markets have gradually pushed back the expected timing of the first rise to some point early next year, the assumption has been the US and the UK are set to embark on a period of monetary tightening while much of the rest of the world, including the eurozone, is still loosening policy.

That assumption has driven sterling to a seven-year high against the euro but down to a five-year low against the dollar as investors bet that the Federal Reserve will move before the BoE does.

Sterling dipped further yesterday on Mr Haldane's remarks, to an intraday low of \$1.4760. City economists said that despite the mixed message from the BoE, the speech would not change their rate rise calls.

Richard Barwell, senior European economist at RBS, said he was unconvinced by the case for cutting rates.

"You should not be putting your foot down now, boosting inflation two years out, when the impact from oil prices will have dried up," he said.

Mr Barwell also added that any rate cut would "increase the chance that the eventual lift-off from the lower bound will be neither limited nor gradual" — the BoE's key aspiration.

Howard Archer, chief UK economist at IHS Global Insight, said Mr Haldane "looks to be pretty isolated in his views" on the MPC and the next move in rates was "highly probable to be upwards".

At the last meeting, all MPC members voted to keep rates on hold but recently two members, Ian McCafferty and Martin Weale, were voting to raise rates and are known to believe the decision is still finely balanced.

Mr Haldane said while the risks to inflation were two-sided, "my personal view is that these risks are skewed to the downside". He pointed out that if policy were set not by the MPC but by algorithm, the BoE's forecasting model would currently suggest that "with the lower bound set at zero, the optimal path for interest rates would involve them being cut in the short run towards zero for around a year".

Rail plans

# High-speed train arriving at Crewe due six years early

GILL PLIMMER AND ANDREW BOUNDS

**High Speed 2 could reach the north ahead of its 2033 schedule under plans for the £50bn railway line to be put forward by the government today.**

The Department for Transport is preparing legislation for the next parliament that would bring HS2 to Crewe, probably by 2027, and to Leeds and Sheffield soon after. It will also consider allowing the route across the north to be used by fast regional train services.

The plans are part of George Osborne's plans to build a "northern powerhouse" — a loose collection of cities including Manchester, Liverpool and Leeds — as a new economic hub.

Launching the first Northern Transport Strategy report in Liverpool today, the chancellor is expected to say: "From backing high-speed rail to introducing simpler fares across the north, our ambitious plans for transport mean we will deliver a truly national recovery where every part of the country will share in Britain's prosperity."

The first phase of HS2 is expected to reach Birmingham in 2026, with a second Y-shaped section to Manchester and Leeds due to be finished in 2032-33.

As well as weighing legislation to speed the HS2 link to Crewe, plans set out in the report include developing new east-west road connections such as a road tunnel through the Pennines; and introducing Oyster-style smart travel cards and simpler fares across the north.

It also includes proposals either to upgrade existing lines or build five new rail lines that would halve journey times across the north. A new line from Leeds to Newcastle would cut the journey from 87 minutes to 50 and would cost between £8.5bn and £14bn, for example. The alternative is to improve the existing line, which would cut it to about 75 minutes and cost £1bn-£4bn.

| 2026 | £50bn |
|---|---|
| Date when first phase of link is set to reach Birmingham | Estimated full cost of the fast-link rail project |

But critics said the proposals remained unfunded. Ed Cox, of left-leaning think-tank IPPR North, said money should have been earmarked already: "The Budget presented an opportunity [for Mr Osborne] to put his money where his mouth is, and once again there was nothing by way of cash promises."

Mick Cash, leader of the RMT transport union, said: "This is yet more pie-in-the-sky nonsense from the government on the so-called northern powerhouse when in reality transport services across the region in the real world are lumped with clapped-out, overcrowded trains with any replacement programme light years off."

The report also outlines plans to help create a zonal ticketing system and Oyster-style smart cart to simplify fares between northern cities. Commuting between the cities is hampered by the fare structure, according to a recent study, which found ticket-sellers themselves are often confused about prices. It also wants to increase capacity for freight traffic. Half the freight in the UK travels from or through the north.

The report came a day after the chancellor gave Greater Manchester the power to keep all the additional business rates generated by economic growth, rather than the 50 per cent norm.

Despite government rhetoric, infrastructure output has fallen 8.5 per cent since the coalition came to power, according to the office for National Statistics. The National Audit Office on Tuesday also said that capital spending — which includes new projects as well as maintenance — shrank by a third between 2010 and 2014.

Electricity generation

# Solar power supply set to fall during first big eclipse for 16 years

PILITA CLARK
— ENVIRONMENT CORRESPONDENT

**Electricity grid operators, expectant scientists and excited school children are gearing up for the UK's first major solar eclipse in 16 years today.**

As the moon passes between the sun and the earth, the eclipse should start to become visible just before 8.30am, depending on how cloudy the skies are, reaching a peak at about 9.30am and winding down at around 10.40am.

The best views will be seen by people in the north, where the sun will be almost completely obscured. But even in London around 85 per cent of the sun will be covered at the peak of the eclipse and there will not be another chance to see one of this magnitude until 2026.

The event will be closely monitored by grid managers. When the last major eclipse happened in 1999, a solar panel was a rare sight on a British roof or field.

Today there is more than 5,000 megawatts of solar generating capacity, more than Yorkshire's huge Drax plant, the country's biggest power station.

Other nations such as Germany have nearly eight times as much solar power and Europe's electricity system operators have warned about the prospect of disrupted supplies during the eclipse.

As much as 35 gigawatts of solar power, the equivalent of about 80 conventional power plants, is expected to fall off the European grid during the eclipse, according to analysts at the Frost & Sullivan research firm.

The UK's National Grid will be working with its counterparts on the continent to make sure supplies are maintained, but says it is well prepared.

"We are in a slightly different position to some of our counterparts in Europe owing to our particular generation mix," the grid said, explaining it was expecting a loss of 850MW of solar power from the system.

This should be largely offset by an 1,100MW drop in demand for electricity as people go outside to watch the eclipse, with the net effect being a 200MW drop in demand, similar to the typical demand for Glasgow.

"This loss of solar is entirely manageable," said Jeremy Caplin, forecasting manager at National Grid. "We started planning for this in May last year."

If there is bad weather, even fewer people will be watching and there will be less solar generation lost.

The prospect of cloudy skies is a worry for scientists and thousands of children who will be monitoring the event.

"The weather is the villain of the piece in eclipses," said Professor Giles Harrison, head of the University of Reading's meteorology department.

He is leading a national experiment involving nearly 200 schools and specially deployed weather balloons around the country that will try to detect phenomena such as the "eclipse wind", or changes in the breeze anecdotally reported during an eclipse.

Scientists hope the information gathered will help them understand how the weather works so forecasts and even climate change models can be improved.

Experts warn it is dangerous to look straight at the sun during an eclipse, even with sunglasses.

The Royal Astronomical Society has produced a booklet on the best way to watch it safely and says the simplest method is to use a kitchen colander and a piece of paper.

By standing with your back to the sun, you can hold the colander in one hand and the paper in the other and safely see images of the eclipse as it passes.

## Pick of the bunch Royal collection of garden art goes on show

A worker at the Queen's Gallery in Buckingham Palace inspects 'The Sunflower Clock', created by the Vincennes porcelain factory in 1752. The piece will go on show alongside works by Leonardo da Vinci and Carl Fabergé as part of Painting Paradise: The Art of the Garden, which opens today Rob Stothard/Getty Images

Hung parliament. Minority parties

# Welsh nationalists put price on coalition pact

Plaid Cymru wants Wales to be funded along Scottish lines, equivalent to £1.2bn a year

JIM PICKARD
— CHIEF POLITICAL CORRESPONDENT

If David Cameron and Ed Miliband are weighing up possible coalition deals after the general election in May they may want to carry out some elementary cost-benefit analysis.

Plaid Cymru, the Welsh nationalist party, has told the Financial Times that it will lend its support in the event of a hung parliament for £1.2bn a year. On its current parliamentary presence of three MPs that amounts to about £400m a year per seat.

That compares with a price of about £250m for each of the eight seats held by the Democratic Unionists in Northern Ireland, according to one senior party figure. The DUP, founded by the late Ian Paisley, wants a £2bn boost to the province's £11bn-a-year block grant.

The Scottish National party, meanwhile, has already extracted a rich price from the main political parties in London.

In the final days of the referendum campaign last autumn the Westminster parties promised to preserve the "Barnett formula", which gives a generous allocation of funding to Scotland.

Jonathan Edwards, Plaid Cymru's Treasury spokesman, said his party wanted to be treated the same as Scotland under Barnett: "That would work out as £1.2bn per annum," he said.

"What is good enough for the people of Scotland is good enough for the people of Wales. We're not asking for any special treatment, just the same as them."

Westminster is rife with talk of deals after the most closely contested general election for a generation.

With neither Labour nor the Tories on track to win a majority, if the opinion polls are correct, there is more focus on the stances of the smaller parties.

The DUP, which is prepared to work with either party, has already set out its negotiating position, demanding the ringfencing of the defence budget as well as the extra £2bn. "We want to use our leverage to secure national, UK-wide priorities," a DUP source recently said. The SNP has ruled out a coalition with the Tories, while Labour has ruled out a coalition with the SNP, but the Scottish nationalists could still create an informal alliance with Mr Miliband's party.

Plaid Cymru would demand an end to the austerity programme of the current parliament and further devolution along the lines of Scotland.

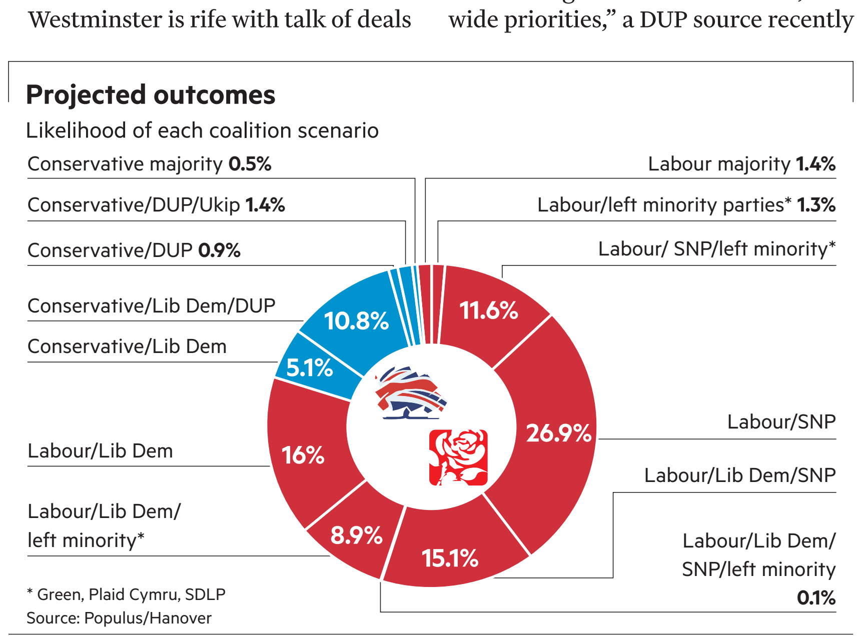
It has already ruled out a formal coalition with the Tories but is keeping its options open in respect of other deals. "We will work to ensure the best deal for Wales," Mr Edwards said.

With only three MPs, and a total of six targets in May, the party's demands may seem presumptuous.

But Plaid Cymru is aware that even a handful of votes could prove critical in the event of a hung parliament. "If it is a balanced parliament there are huge opportunities for us," Mr Edwards said. "It is a numbers game."

In the 1970s a trio of Plaid Cymru MPs propped up a Labour government in return for compensation, which reached £250m, for quarry workers afflicted by pneumoconiosis.

In the 1990s the party lent its support to the beleaguered John Major over some of his Maastricht treaty votes, in return for improved transport links between Wales and Ireland.




Pedal power

# Businesses oil the wheels for increase in spending on cycling infrastructure

KADHIM SHUBBER

**Almost 600,000 cycle journeys take place in London every day as Spandex-clad enthusiasts mix with thousands of city workers pedalling in leather shoes and blazers.**

Now a coalition of UK businesses, including Sky and GlaxoSmithKline, has called for increased national spending on cycling infrastructure as the main political parties prepare to announce their election manifestos.

The intervention from the companies, along with Santander, National Grid and the AA, is a sign of how far the activity has grown from a hobby for the young into a legitimate mode of transport.

In a letter to David Cameron, Ed Miliband and five other party leaders, the companies called for 5 per cent of the UK's annual transport spending to be ringfenced for cycling infrastructure.

They also demanded national design standards for cycle-friendly road infrastructure by 2016 and a target that 10 per cent of all trips be made on bicycles within the next 10 years.

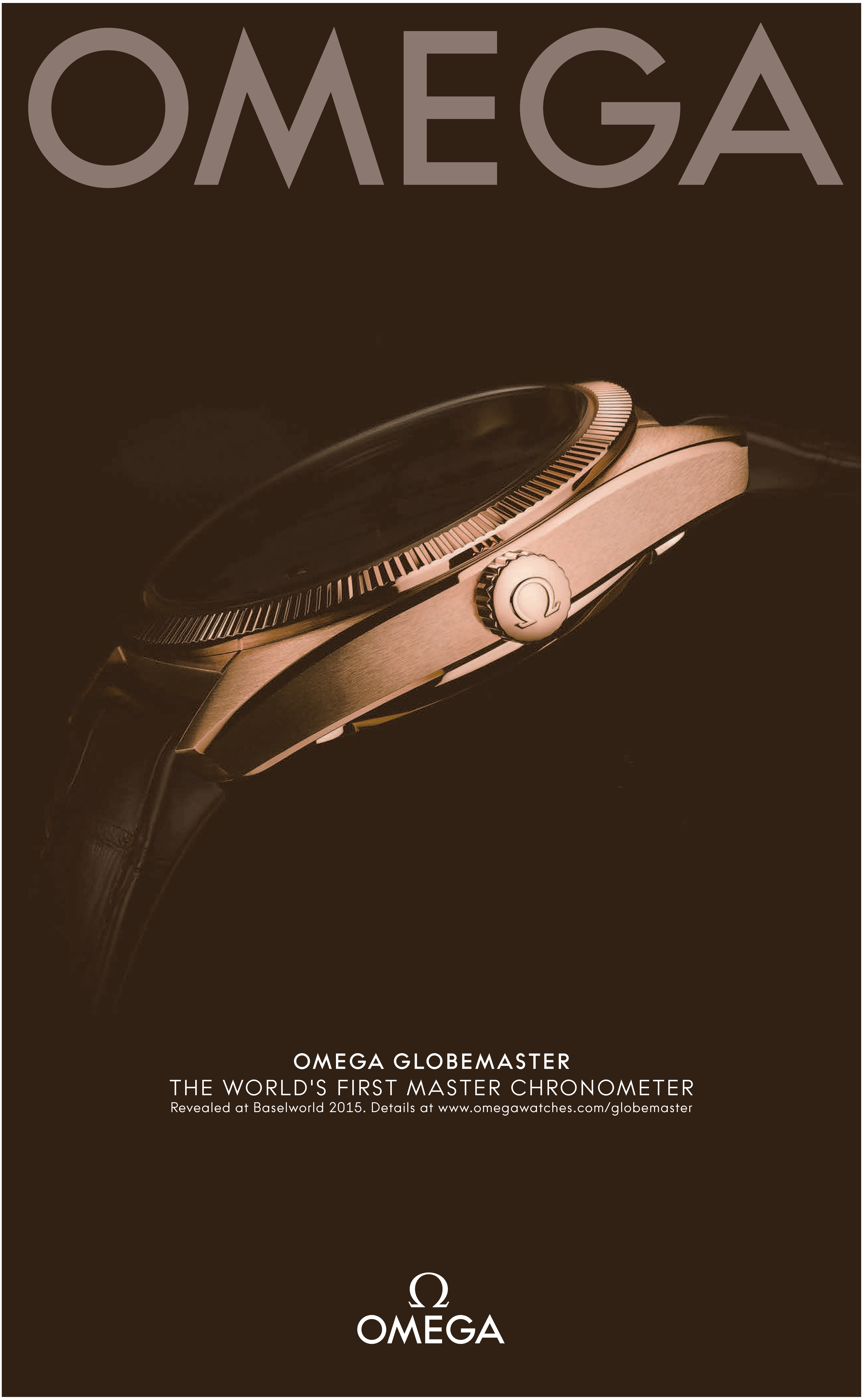
Cycling in the UK has boomed in recent years, with many people pointing to Britain's success in the Tour de France and the Olympics as the impetus behind the wave of interest.

Right direction: about 2 per cent of all journeys are now made by bicycle

But critics say that policy and funding has failed to keep up with the increased numbers of people leaving cars at home and turning to pedal power. About 2 per cent of all journeys are now made by bicycle but "infuriatingly slow" progress in improving roads has held back cycling, according to Chris Boardman, policy adviser at British Cycling. "We're moving millimetre by millimetre in the right direction," he said.

London has led the way in improving cycling infrastructure after mounting outrage at the deaths of cyclists on the capital city's roads. In 2014, 14 cyclists died in London, of a total of 109 in the country as a whole.

Boris Johnson, the mayor, announced last year a "cycle superhighway" running across the city that would accommodate 3,000 cyclists an hour on the east-west track alone. But Matt Wilson, GSK's head of sustainability, said that without a national policy on cycling, local efforts to improve road design would result in a "hotchpotch" of transport infrastructure.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Middle East

# US reconsiders backing for Israel at UN

## 'Cynical' Netanyahu seems to change tack on rejection of Palestinian nationhood

JOHN REED — JERUSALEM
GEOFF DYER — NEW YORK

The White House said yesterday that it was reconsidering the support it has given Israel at the UN, even as Benjamin Netanyahu appeared to row back on his election comments rejecting a Palestinian state.

Describing the Israeli prime minister's tactics in the final campaign push as "cynical and divisive", White House spokesman Josh Earnest said that the US had defended Israel at the UN in the past because its government had been committed to a two-state solution.

"The steps that the United States has taken at the United Nations had been predicated on this idea that the two-state solution is the best outcome," he said. "Now our ally in these talks has said that they are no longer committed to that solution. That means we need to re-evaluate our position in this matter."

Mr Earnest said the leader's warning to rightwing voters that Arab-Israelis were turning up at the polls in "droves" had been a "cynical election-day tactic that was a pretty transparent effort to marginalise Arab-Israeli citizens".

The alert from the White House came as Mr Netanyahu tried yesterday to backtrack from his vow on Monday that he would not allow for the creation of a Palestinian state if he were re-elected.

The comments were the most inflammatory moment in a heated and at times ugly last few days of the election campaign that resulted in victory on Tuesday for his rightwing Likud party.

"I don't want a one-state solution," Mr Netanyahu said in an interview with NBC television. "I want a sustainable, peaceful two-state solution. But for that, circumstances have to change."

When asked by NBC whether President Barack Obama had called to congratulate him on his poll win, Mr Netanyahu said: "Secretary [of state John] Kerry called me yesterday, and I'm sure I'll be speaking to President Obama soon. We'll work together — we have to."

Late yesterday the White House said that the two leaders had spoken.

The US has consistently used its veto on the UN Security Council to protect Israel from resolutions that have criticised its treatment of the Palestinians.

Before the election, many European governments were frustrated at what they see as Israel's unwillingness to talk over a two-state solution. With the prospects for new talks so poor, US officials have suggested they might consider allowing a UN resolution that sets out parameters for a Palestinian state.

The Palestinians yesterday criticised Mr Netanyahu's conduct in the days before his electoral victory, which is expected to result in a coalition government that will be further to the right than his last one.

Mahmoud Abbas, the Palestinian leader, was quoted on AFP as saying: "Netanyahu's statements against a two-state solution and against a Palestinian state . . . are proof, if correct, that there is no seriousness in the [future] Israeli government about a political solution."

On Monday Mr Netanyahu said establishing a Palestinian state would "give territory away to radical Islamist attacks against Israel".

**Video: Netanyahu consolidates** John Reed on how Israel's prime minister is working to shore up support for a new rightwing government www.ft.com/videos

Museum assault. Tunisia defiant

# Fledgling democracy grapples with its future

## Killing of tourists exposes the country's fragility and weakens hopes of economic recovery

HEBA SALEH — CAIRO

**Under guard: a police officer outside Tunis's Bardo museum yesterday, scene of Wednesday's carnage. There are fears the attack will damage tourism and postpone investment**
Christophe Ena/AP

"Tunisia will remain standing" said the sign carried by a young Tunisian demonstrator just hours after 23 people, mostly foreign tourists, were gunned down by suspected Islamist militants outside a museum in the capital on Wednesday.

The bloody rampage at the Bardo museum has left the fledgling democracy — the only success story to emerge from the Arab uprising of 2011 — reeling, with its vulnerabilities exposed and its hopes for a speedy economic recovery fading.

Despite the success of their democratic transition, many young Tunisians openly express support for the Islamic State in Iraq and the Levant, or Isis, and thousands are fighting alongside the extremists in Syria, Iraq and more recently in neighbouring Libya.

Isis has claimed responsibility for the attack in an audio recording distributed online that praised the two attackers, calling them "knights of the Islamic State". It was impossible to verify the authenticity of the message.

The authorities said yesterday they had arrested nine people for their role in the attack but did not confirm any link to Isis. Barbed wire appeared around the museum and the government pledged to deploy the army to protect key sites against attack. Beji Caid al-Sebsi, the president, met police and army leaders and parliament vowed to press on with an antiterrorism law.

But the carnage presents Tunisia's young democracy with several challenges. Chief among these is reviving an already ailing economy dependent on European tourism and investment.

In a first sign of the impact on tourism, which accounts for 7 per cent of GDP, the Italian cruise line Costa Crociere announced it had cancelled all stops in Tunisian ports for security reasons.

"Tourism will be affected, but unfortunately this will also have an impact on other sectors," said Fadhel Abdel Kefi, head of Tunisie Valeurs, an investment firm. "What happened could postpone investment in Tunisia. We were hoping that 2015 would be the year the [tourism] sector takes off. It is the main source of foreign currency and, if you look at banking, you will see that many non-performing loans come from the tourism sector."

That only adds to the pressures on a government struggling with a national rate of unemployment of 15 per cent, which is even higher for the young.

There are also fears the attack could destabilise the political system. Tunisian politicians managed to surmount the deep polarisation between Islamists and liberals to forge a historic compromise last year, enabling agreement on a constitution that was followed by parliamentary and presidential elections.

Mr Sebsi, who founded the secular Nida Tunis party, and Rachid Ghannouchi, head of the Islamist Nahda party, have found ways to work together despite an initial deep mistrust. The assassination of two secular politicians by Islamist extremists in 2013 sparked a backlash against Nahda, with protests calling for the unravelling of the political process that had led to the election of the Islamists as the biggest group in an assembly that was writing the new national charter.

On Wednesday, Mr Ghannouchi unequivocally condemned the attack and called for national unity against terrorism. Mr Sebsi promised the country would continue on the "route of democracy and elections".

"They used similar words," said Sayed Ferjani, a senior Nahda official. "I am reasonably confident that not only for Sebsi, but for most of Nida Tunis, we are no longer in the same [hostile] mood where we used to be before."

But Karim Mezran, Tunisia expert and senior fellow at the Atlantic Council, recalls that extremist violence in the late 1980s was used by the ousted regime of dictator Zein al-Abidine Ben Ali to close the political space and persecute moderate Islamists.

"The fear now is that something similar could happen," he said. "But so far the first signs are positive. Sebsi is much too smart to do that, but he is not the problem, it is those behind him who are. He is elderly, so what if he gets pushed aside? The fear is the dynamics within Nida Tunis."

But for now the biggest headache for Tunisia's politicians is their destabilising proximity to Libya and their porous border with the chaotic country.

**Libya: a divided land** page 13
**Editorial Comment** page 14

GLOBAL INSIGHT
ISRAEL

David Gardner

# Likud's 'scorched earth' victory risks spurring trend to global isolation

Israel's bitterly contested election appears to confirm that the politics of fear works well enough for an unpopular prime minister to secure a third successive term. But Benjamin Netanyahu's victory comes at a heavy price. This is already visibly a scorched earth victory, in which Mr Netanyahu has been burning Israel's international bridges, outflanking his far-right allies and laying waste to any residual hopes that Israel might negotiate a solution with the Palestinians whose territory it occupies, and tarring the country's already alienated Arab minority as something less than Israeli citizens.

Mr Netanyahu, who according to the last pre-election opinion polls was trailing the Labor-led coalition headed by Isaac Herzog, launched into an incendiary final furlong that galvanised the base of his rightwing Likud party and siphoned off votes from his rivals on the ultranationalist and religious right. It was an extraordinary performance.

Mr Netanyahu chose as a centrepiece for his campaign his provocative address to the Republican-controlled US Congress on March 3. Infuriating President Barack Obama and triggering a boycott by some 60 Democratic lawmakers generally supportive of Israel, the Israeli premier called on his Republican admirers to derail delicate negotiations with Iran intended to ensure its nuclear programme will not result in nuclear arms. Republican senators duly wrote to Ayatollah Ali Khamenei, Iran's supreme leader, claiming that any deal he does with Mr Obama could be undone with "the stroke of a pen".

While this caused a firestorm in Washington, scandal in European capitals, and scorn in Tehran, it furnished Mr Netanyahu with only a mild uptick in the polls. So he raised the stakes in what became, for him, a no-limits game.

> Netanyahu raised the stakes in what became, for him, a no-limits game

Sounding rather like President Recep Tayyip Erdogan of Turkey at his most pugnacious, he denounced an international conspiracy to drive him from power. He rejected any possibility of a Palestinian state alongside Israel — the international policy to which he has paid lip-service since 2009 — and pledged to accelerate even more Jewish settlement on occupied Palestinian land. To dramatise this, he staged a photo opportunity at Har Homa, a particularly contentious settlement he started during his first term in 1996-99, which, he reminded Israelis, had closed "the southern gateway" to Jerusalem — the occupied Arab east of which Mr Netanyahu has always vowed never to surrender. Then, on election day itself, he used social media to sound the alarm that "Arabs" were "voting in droves", bussed to the ballot boxes by the treacherous left.

Yet this fourth Netanyahu government, presumably built around the country's irredentist right, risks accelerating a trend towards Israel's international isolation.

Mr Netanyahu has done nothing to contradict veteran generals and securocrats who denounced him before the election as divisive and destructive of Israel's security interests. His Iran campaign has poisoned further an already confrontational relationship with Mr Obama. By ditching a never credible commitment to a Palestinian state he has made confrontation inevitable with an EU that already skirmishes with Israel over its occupation of Palestinian land. As the Palestinians press on with their multilateral quest for international recognition, can it be argued any longer they would be better served negotiating with Mr Netanyahu? If the EU, nine of whose member states already recognise Palestine, arrange for a resolution on statehood in the UN Security Council, will the US veto it?

The Palestinian diplomatic offensive, which may now include accusing Israel of war crimes at the International Criminal Court, could also lead finally to the collapse of the Palestinian Authority. Mr Netanyahu's government is already withholding tax revenue the PA needs to survive, while President Mahmoud Abbas, the Palestinian leader, is threatening to withdraw security co-operation with Israel in the West Bank. Scorched earth indeed.

*david.gardner@ft.com*



Northeast Asia. **Regional spats**

# China, Japan and South Korea seek to ease tensions

## Frosty relations must thaw if talks in Seoul this weekend are to pave way to a full summit

SIMON MUNDY — SEOUL
JAMIL ANDERLINI — BEIJING
ROBIN HARDING — TOKYO

The foreign ministers of China, Japan and South Korea will meet in Seoul this weekend for the first time in three years, in an effort to calm tensions in the region.

The trio have strong economic ties but frosty relations. International angst about this state of affairs among the regional superpowers has been further piqued by the Asian Infrastructure Investment Bank, a Chinese-led initiative sparking alarm in Washington and proving divisive elsewhere.

Seoul is in talks about joining the AIIB; Japan, which has more sway over the Manila-based Asian Development Bank, has indicated it is unlikely to join.

The latest spat follows a slew of territorial and other diplomatic rows. Both Beijing and Seoul have kept Tokyo at arm's length in recent years, in protest at what they consider its refusal to accept responsibility for war crimes during Japan's early 20th-century imperial expansion.

But Seoul wants to return to the practice of annual trilateral foreign ministers' meetings, and some observers hope this weekend's gathering will pave the way for a summit between the three heads of government — an event that last took place in May 2012.

Since then all three countries have installed new leaders. Shinzo Abe, Japan's prime minister, has outraged his Chinese and South Korean counterparts with remarks interpreted as rolling back Japanese admissions of historical guilt. "There is a growing consensus in the region that things will have to improve to better deal with this paradoxical situation," said Kim Jae-chun, a professor at Seoul's Sogang University.

For Beijing the trilateral meeting has long been seen as a useful venue to advance its long-term goal of reducing US influence in the region. Some Chinese officials have suggested that closer ties between the three countries could lead to a northeast Asian economic bloc that excludes the US.

Beijing eased friction with Tokyo last November with an awkward meeting between President Xi Jinping and Mr Abe on the sidelines of an Asia-Pacific Economic Cooperation meeting, where they agreed to work on measures to avoid clashes over a disputed island group.

But China and South Korea are likely to wait for Mr Abe to show a more repentant attitude before they commit to a leaders' summit. South Korean officials say he has a good chance to do so in the coming months, first with a visit to the US next month and then with a speech in August to mark the end of the second world war.

**Government leaders last held a summit in Beijing in May 2012**

On Tuesday, Fumio Yoshida, Japan's foreign minister, played down the prospect of historical disputes being addressed at this weekend's meeting, saying he expected it to be "future-oriented".

International policy makers will also be watching. "The United Nations has been engaging in a number of regional co-operative mechanisms but northeast Asia still remains a missing link," Ban Ki-moon, the UN secretary-general, said on Monday during a visit to Tokyo.

This month Wendy Sherman, the US undersecretary of state for political affairs, spoke of Washington's frustration at the bad relations between countries in northeast Asia. A particular headache for the US is the tension between Seoul and Tokyo, its two key allies in the region.

"It is not hard for a political leader anywhere to earn cheap applause by vilifying a former enemy," Ms Sherman told a conference, outraging South Korean politicians who accused her of failing to understand regional history.

INTERNATIONAL

Pharrell Williams

# 'Blurred Lines' singer warns of legal threat to artistic creativity

## Entertainment industry faces litigation nightmare, says huge-selling star

MATTHEW GARRAHAN — NEW YORK

Musician Pharrell Williams has warned that the creative industries are at risk of a wave of copycat litigation following his court defeat last week, when a jury ruled that his "Blurred Lines" song infringed the copyright of Marvin Gaye's "Got to Give It Up".

A federal court in Los Angeles ordered the songwriter and producer and the singer Robin Thicke to pay damages of $7.3m to the Gaye estate after studying the two songs. The verdict appears to set a legal precedent because although the tracks have a similar sound and feel they have different note and chord sequences.

"The verdict handicaps any creator out there who is making something that might be inspired by something else," Mr Williams told the Financial Times in his first interview since the ruling.

"This applies to fashion, music, design . . . anything. If we lose our freedom to be inspired, we're going to look up one day and the entertainment industry as we know it will be frozen in litigation. This is about protecting the intellectual rights of people who have ideas," Mr Williams said.

Lawyers acting for the Gaye estate argued in court that "Blurred Lines" copied elements of "Got to Give It Up". A music expert called as a witness for the prosecution testified that there was a "constellation" of similar elements in the song.

The Gaye family yesterday filed a new injunction in court to prevent the copying, distributing and performing of "Blurred Lines". "With the digital age upon us, the threat of greater infringement looms for every artist," the family said in a statement.

The Gaye estate owns the copyright to the "Got to Give It Up" song but not the recording. Mr Williams denied "Blurred Lines" had broken any copyright rules. "There was no infringement," he said.

"You can't own feelings and you can't own emotions . . . [in music] there are only the notations and the progression," he added, referring to musical composition. "Those were different."

"Blurred Lines", released in the summer of 2013, was among the biggest hits of that year, generating nearly $17m in profits, according to court documents. The release of the track came amid a string of hits for Mr Williams that included "Happy", his solo number one.

The Grammy winner has received broad support from the music industry. "It's a very peculiar decision because the ruling did not refer to the usual infringements that artists can be sued over, such as the writing of the song or the writing of the track," said Paul McGuinness, the former manager of U2. "The award seems to have been made on the mood of the song, which is extraordinary."

The jury's verdict has prompted concerns beyond music. The Oscar-winning movie producer Harvey Weinstein said Hollywood could also be affected by the "Blurred Lines" precedent.

"I'm very concerned about the notion that feeling or having a piece of art that feels like something else can be infringement," said Mr Weinstein, whose eponymous company has released films ranging from *The King's Speech* to *The Imitation Game*.

"Everyone quotes things, even subconsciously, but this can be a disruptive decision," he added. "What film-maker couldn't sue another film-maker for making a movie that feels like another one? It's deeply troubling."

Another movie studio chairman pointed to the potential ramifications for the art world. "Think about Roy Lichtenstein and Andy Warhol, who borrowed heavily from other sources," he said. "None of that stuff would exist."

Mr Williams declined to comment on whether he and Mr Thicke would appeal against the verdict. "We're working out our next steps right now," he said.

But he was adamant that taking inspiration from other sources was a key part of the creative process.

**Family matter: Gaye's daughter Nona leaves court in Los Angeles**

**Williams speaks**

'You can't own feelings and you can't own emotions'

'This applies to fashion, music, design . . . anything. The industry as we know it will be frozen in litigation'

**Hit: Pharrell Williams and Robin Thicke perform in Arkansas last year** — Getty Images

Trade and investment

# Current account deficit grows wider as dollar strengthens

SHAWN DONNAN — WASHINGTON

**A stronger dollar saw the US current account deficit widen in the final three months of last year due to falling exports and a reduced value of repatriated profits from overseas investments.**

The Commerce department said the deficit, a broad measure of trade and investment flows, grew by almost 15 per cent to $113.5bn in the fourth quarter of 2014 versus the previous quarter as the US dollar surged against the currencies of most of its main trading partners.

The figures come after months of growing anxiety over the strength of the dollar and its impact on the US economic recovery. For the full year, the current account deficit stood at $410.6bn, or 2.4 per cent of gross domestic product.

Paul Ashworth, chief US economist at Capital Economics, said there was a "good chance" the deficit would narrow again in the first quarter of 2015.

However, he said that the widening trend was likely to continue over the longer term.

"As the full impact of the drop in the price of imported energy feeds through in the first quarter, there is a good chance that the deficit will shrink again temporarily," he said.

"Beyond that, however, the stronger dollar and the relative weakness of economic growth outside the US suggests that the deficit will gradually widen."

Mr Ashworth added that there was also concern that slowing exports could eventually become a "sizeable drag on real economic growth".

Wednesday's move by the Federal Reserve to downgrade its estimates for growth, in part because of the impact of the dollar, caused a brief slump in the dollar on the expectation that the US central bank would not raise rates as aggressively as expected.

It also led some dollar bulls to call the end of a recent rally in the greenback's value.

Currency concerns have become more political. Dollar hawks in Congress have raised questions about whether trade rivals in Asia and Europe have been actively seeking to depreciate their own currencies to gain a competitive advantage.

> 'The relative weakness of economic growth outside the US suggests the deficit will gradually widen'

The timing is awkward for the Obama administration which is trying to close a huge trade deal with 11 other Pacific Rim economies including Australia and Japan.

Some in Congress have been calling for the deal, known as the Trans-Pacific Partnership, to include new provisions on currency manipulation.

Members of Congress have pushed bills in recent weeks that would allow the US to impose punitive countervailing duties on any trading partners found to be manipulating their currency.

**Editorial Comment** page 14

Congress

# US budget plans present litmus test for Republicans

## Stakes are high for GOP as it faces fulfilling its vow to govern responsibly

DEMETRI SEVASTOPULO AND MEGAN MURPHY — WASHINGTON

President Barack Obama joked in Cleveland on Wednesday that he did not expect the American people to read his budget or the two fiscal plans just revealed by congressional Republicans.

Common wisdom in Washington says that budgets have become more about theatrics and scoring points than serious efforts to fund government. But when Senate and House Republicans revealed their 2016 budget proposals this week, pundits and fiscal experts paid more attention than usual.

Observers said the plans were the first part of a multi-stage litmus test for whether Republicans can fulfil the vow they made to govern responsibly before winning both houses of Congress in November.

"The political stakes are high," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "This is a test of whether the Republicans can govern." While there are differences between the Republican plans, especially on defence and healthcare, they sent the same broad message: they aim to balance the budget over 10 years and repeal "Obamacare".

The law, which provides health insurance subsidies for low-income groups, is dislike by Republicans in part because it imposes taxes on wealthier groups. They argue a market-based approach would be cheaper and more efficient.

"Today we begin the monumental task of confronting our nation's chronic overspending and exploding debt," Mike Enzi, the Senate budget committee Republican chairman, said on Wednesday.

In recent years, the US has lunged from fiscal showdown to government shutdown as Congress failed to pass budgets, relying on stopgap funding measures.

Treasury this week had to take "extraordinary measures" to curb borrowing because a debt ceiling that had been suspended as part of a deal to avert a previous fiscal crisis was reinstated.

The House and Senate plans aim to cut spending by more than $5tn over the next decade, and assume that a big chunk of those savings will come via repealing Obamacare.

The US has relied on stopgap funding in recent years — Andrew Harrer/Bloomberg

The Senate version would trim $430bn from Medicare, a government-funded healthcare programme for senior citizens, while another controversial House move would partially privatise the system. The House would also target food stamps and Medicaid, the healthcare system for low-income people.

The White House characterised the Republican plans as a rehash of old economic ideas that would cut taxes for the wealthy at the expense of the middle class. "It's a budget that doesn't just fail to embrace middle-class economics," Mr Obama said. "It's the opposite of middle-class economics."

The Republican plan to eliminate the deficit contrasts with Mr Obama's budget. According to the non-partisan Congressional Budget Office, the budget deficit would rise to 2.9 per cent of gross domestic product in 2025 under Mr Obama's proposal — higher than the 2.8 per cent recorded last year, but less than the 3.8 per cent forecast under current law. None of the plans stands a chance of becoming law as they exist. But the White House sees the process as a way to offer a different vision to the Republicans. It says boosting federal investment in programmes such as free community college, job skills training, and technology and manufacturing industry initiatives is a more effective way to jump-start middle-class wage growth than lower taxes.

Ms MacGuineas welcomed the plans to balance the budget, but said they were "so aggressive that it is probably unrealistic". Critics say the proposals are too vague. Joel Friedman, a former Democratic budget committee aide now at the Center on Budget and Policy Priorities, said they "don't specify how except for repealing the Affordable Care Act and making Medicaid cuts".

Paul Winfree, a former Senate staffer now at the Heritage Foundation, said the House plan was "peculiar" because it counted the lower costs associated with repealing Obamacare but not the corresponding fall in revenue. He said Republicans had not explained how they would plug that gap, which could be as high as $1tn, particularly since the party insisted it would not raise taxes.

Republicans also need to compromise among themselves before they can send any budget to the president for approval.



Religious tension. Election countdown

# Canada's fear of attack stokes debate on liberty versus security

## Political leaders trade blows as the country ponders how best to respond to Islamist threat

DEMETRI SEVASTOPULO — OTTAWA

One political leader accuses his nemesis of stoking anti-Muslim fears and returning the nation to the dark days of the 1940s when Jews were confronted with an immigration policy of "none is too many". Opponents attack the "outrageous" warning as "bizarre and contemptible".

This was not a fight involving Marine Le Pen, leader of the National Front in France. It was Justin Trudeau, the Canadian Liberal party leader, trying to skewer Prime Minister Stephen Harper, the Conservative party leader, who is seeking a fourth mandate in October.

"Fear is a dangerous thing. Once stoked, whether by a judge . . . or a prime minister with a dog whistle, there is no way to predict where it will end," Mr Trudeau warned last week in a speech on liberty as the government held hearings on a controversial anti-terror bill.

His attack was partly a response to the Harper government's decision to appeal against a court ruling allowing female Muslim immigrants to wear the niqab — the face veil — during citizenship ceremonies. But more broadly, it signalled a growing discussion about "values" as Canadians engage in the same kind of debate on freedom versus security that Americans held after the September 11 terrorist attacks in 2001.

While Canada passed an anti-terror law after 9/11, Wesley Wark, a terrorism expert at Ottawa university, says the nation did not feel it was "in the bull's eye". But he says there has been a "fundamental change" and now "there is a sense that Canada is a declared target".

In September, Abu Mohamed al-Adnani, spokesman for the Islamic State in Iraq and the Levant, or Isis, called for attacks on countries, including Canada, that were helping the US target the extremist group in Iraq. That came after the government identified 80 Canadians who returned home after engaging in terrorism-related activities overseas.

In October, Michael Zehaf-Bibeau killed a Canadian soldier during an attack on the parliament in Ottawa that he claimed was justice for Canada's role in Afghanistan and its opposition to Isis in Iraq. That same week, a convert to Islam whom Mr Harper said had been "radicalised" killed one solder and injured another with his car in Quebec.

Not only have the October attacks and the Isis threat made Canadians more nervous, they also appear to have given Mr Harper a boost with voters. Nik Nanos, a Canadian pollster, says Mr Harper pulled ahead of Mr Trudeau in the polls following the attacks having previously trailed by about eight points.

With two out of three Canadians expecting another attack, according to Mr Nanos, Mr Harper has tried to portray Mr Trudeau, the charismatic but inexperienced son of former prime minister Pierre Trudeau, as ill-equipped to protect Canada. This partly explains Justin Trudeau's recent attacks and his support — despite substantial reservations about a lack of oversight — for the "C-51" anti-terror bill.

Paul Wells, a political reporter at Maclean's magazine, says Mr Trudeau's support for C-51 is an effort to "buy back some toughness" after the Liberals refused to back Canadian involvement against Isis in Iraq. He adds that the Toronto speech was Mr Trudeau "calling Liberals back home".

In the past decade, the Conservatives have successfully courted the "New Canadians" — recent immigrants who have boosted the proportion of residents born overseas to one-fifth of the population. That has helped propel Mr Harper to three victories, each time with a stronger mandate than the last.

> 'Every time Jihadi John chops someone's head off, it reinforces the narrative at home'

Observers say Mr Trudeau's liberty speech in Toronto — a key electoral battleground — was a calculated attempt to win back that group, which has traditionally voted for the Liberals and which is expected to be pivotal in the election.

Roland Paris, a University of Ottawa professor, points to signs of rising anti-Muslim sentiment in Canada. But he says Mr Harper could over-reach by presenting a "narrative of fear and danger that exaggerates and blurs different risks", adding that such issues as the Niqab are "extremely sensitive".

Mr Paris adds: "They have sought to weave the beheadings in Iraq and attack on parliament as a pastiche of danger . . . every time Jihadi John chops someone's head off, it reinforces the narrative at home."

John Manley, the Liberal deputy prime minister between 2002 and 2003, says the Conservatives will essentially urge voters to ask of Mr Trudeau: "Does the kid even have a driving licence before I give him the keys?"


Aftermath: police in Ottawa after a soldier was killed in October — Cole Burston/EPA

Sanctions

# Yatseniuk warns EU to be wary of Putin's tactics

## Prime minister suggests Russian president aims to disrupt bloc unity

ALEX BARKER AND PETER SPIEGEL — BRUSSELS

Ukraine's prime minister has warned that Vladimir Putin is attempting to divide the EU in the same way the Russian president has split Ukraine, saying provocative Russian military excursions and funding of political allies in Europe risk splintering the bloc at a time when unity is essential.

Arseniy Yatseniuk said if the Kremlin succeeded at dividing EU member states over the bloc's economic sanctions regime against Russia, it would be a "disaster for the free world" and urged those governments contemplating the relaxation of sanctions to think again.

"Russia is constantly provoking the EU and Nato, starting with submarines and ending with Bear jets flying across the borders of Nato member states," Mr Yatseniuk said in an interview in Brussels, where he was meeting EU leaders holding a two-day summit.

"Russia is trying to create turbulence in the EU through supporting far-right political movements," he added. "This is a copycat case of what they did in Ukraine."

Mr Yatseniuk's visit to Brussels comes as the EU is again wrestling with its differences over Russia policy. Donald Tusk, the European Council president, and a group of hardline countries had urged an early renewal of the EU sanctions that expire in July — and even new economic measures after Russia-backed troops last month took the strategically important Ukrainian town of Debaltseve. Yet the push faced resistance from France, Italy and Spain, forcing EU leaders into a more ambiguous declaration of intent.

Ukrainian officials have repeatedly attempted to stiffen the EU's resolve by sending their leaders to Brussels during summits — President Petro Poroshenko has attended three times since taking office in June. Mr Yatseniuk acknowledged his visit was aimed at ensuring the recent ceasefire deal reached in Minsk is not used as an excuse to weaken sanctions.

"That's what Russia wants, to use this Minsk deal as a pretext for pullback of sanctions and for going back to business as usual; that's for sure, crystal clear," Mr Yatseniuk said. "Some EU member states were reluctant to maintain and roll over sanctions, or scale up sanctions. Putin will definitely play this card, trying to split unity within the EU."

Despite his concerns about Russian attempts to divide the EU — and split Europe from the US, which he described as Mr Putin's "most crucial quest" — Mr Yatseniuk said he would continue to push for defensive weapons from western allies. The idea has risked opening a political rift between the two most important drivers of Russia policy: Washington and Berlin.

While the Obama administration has publicly acknowledged it is considering supplying Kiev with arms, backed by hardline EU countries like Poland and Lithuania, Germany's Chancellor Angela Merkel has opposed the move.

"To underpin diplomatic efforts, we always need to have a quite strong Ukrainian military — not for offensive, but for defensive [purposes], to deter Russian-led terrorists, not to allow them to move further. This will strengthen our joint position," Mr Yatseniuk said.

He insisted Ukraine would be "whiter than white" in implementing the latest ceasefire deal for eastern Ukraine agreed in Minsk last month. However, senior European officials fear the devolution of power to rebel regions called for in the pact will prove impossible for Kiev to deliver, giving Russia an opening to claim it has been breached.

"Not everyone is happy with the Minsk deal and we together with the president have already paid a huge political price. But we believe this is the right way to go," he said.

Mr Yatseniuk shrugged off rumours of tensions with President Petro Poroshenko as Kremlin-disseminated "crap". Asked whether the two leaders adopted a "good-cop, bad-cop" strategy on handling Moscow, he replied: "Today we have just two bad cops."

### Brussels summit
### Leaders take steps towards extending sanctions

EU leaders took the first step towards extending their sweeping economic sanctions against Russia last night, agreeing that the measures would be maintained unless last month's ceasefire agreement reached in Minsk was fully implemented by Moscow.

The communiqué, agreed on the first day of a two-day summit in Brussels, fell short of hopes from some hardline countries — and the summit's host, European Council president Donald Tusk — to renew immediately the sanctions due to expire in July.

But by tying the measures to the Minsk agreement, which among other things requires Russia to secure its border with Ukraine and hand over its control to Ukrainian authorities, officials believe extension is now assured since the Kremlin is not expected to live up to the agreement's terms.

"Our common intention is also very, very clear," said Mr Tusk at a post-summit press conference. "We have to maintain our sanctions until the Minsk agreement is fully implemented."

The communiqué notes the Minsk agreement is not foreseen to be completed until December, sending the signal that the extension, once it is agreed, is expected to be for just six months rather than the full year of the original sanctions regime.

The EU sanctions agreed in July include an arms embargo against Russia as well as a ban on selling the Kremlin sophisticated oil-drilling equipment, a measure aimed at degrading the ability of Russia's energy sector to expand into new markets. Most importantly, it bars Russia's largest banks from raising money on European financial markets.

EU leaders also debated whether Brussels should be granted new powers to oversee gas contracts between European companies and Russia's gas giant Gazprom.

*Peter Spiegel and Christian Oliver*

Central Europe. In Russia's shadow

# Ukraine and energy put regional ties under stress

## Tensions are showing between Poland, Hungary, Slovakia and the Czech Republic

HENRY FOY — BRATISLAVA
ANDREW BYRNE — BUDAPEST

"Viktor, we are friends," Polish prime minister Ewa Kopacz told her Hungarian counterpart Viktor Orban during his visit to Warsaw last month. "But as you know, friends have to be honest."

So began a frank and chastening exchange between two leaders who agree on many issues but vary on more — a divergence that lies at the heart of widening fissures straining co-operation among the so-called Visegrád Group, an alliance of central European powers.

"Bluntly, the prime minister was like: 'What the hell, Viktor?'" said a Polish official briefed on the talks.

Ms Kopacz's incredulity stemmed from Mr Orban's recent hosting of Russia's President Vladimir Putin in a warm visit that cemented Budapest's position as one of Moscow's closest allies in Europe, a role Poland and others say undermines the EU's unity in opposition to Russia's actions in Ukraine.

Founded in 1991, Visegrád was supposed to create a powerful voice for Poland, Hungary, the Czech Republic and Slovakia, the four central European countries sandwiched between Russia and western Europe. But clashing political and economic desires, particularly over security and energy, are usurping historical and geographical ties.

"Make no mistake, it is becoming more and more difficult," said one cabinet minister from the group. "Ukraine in particular means unity is really being put to the test. This might be the beginning of the end and it would unravel quickly."

Mr Orban's criticism of sanctions against Moscow is quietly supported by Slovakia and the Czech Republic, which see Poland as being out of step on the issue, and resent Warsaw's heavy-handed assertion that more pressure on Moscow is the accepted wisdom — making Ukraine a taboo topic.

"The Poles try to push the issue of sanctions all the time," said a diplomat from one of the group's members.

"We have sanctions, they are in place, they work. But we are entitled to our own positions on Ukraine, so why do they assume they are always right?"

Hungarian officials argue that Poland's hawkish stance on Russia is borne of its greater independence from Russian energy and is out of sync with other members. "Our friends in Poland look at the Ukraine crisis as a security crisis and they feel threatened because of their security vulnerability," says Szabolcs Takács, a Hungarian state secretary. "But my country has other vulnerabilities, particularly our energy dependence on Russia."

Budapest's increasingly close energy ties with Russia mean that seeking agreement on energy policy, too, is pointless, according to diplomats. Mr Orban is outspoken in his opposition to the proposed EU energy union, which should allow the EU to negotiate gas purchases as a bloc. A joint communiqué on the energy union was abandoned in December. The four countries finally managed to agree a common position on energy union this week, in advance of an EU leaders summit yesterday and today. But key differences remain on plans to integrate Europe's energy market; Hungary is opposed to proposals requiring transparency on bilateral energy contracts agreed between EU states and other countries, like Russia.

"The format still works, but there is a systemic issue [with energy]. It's Hungary, it's Orbán," said another minister from the group. "Energy was always something we could agree on, until now. But what is the point of going into areas where there can be no agreement?"

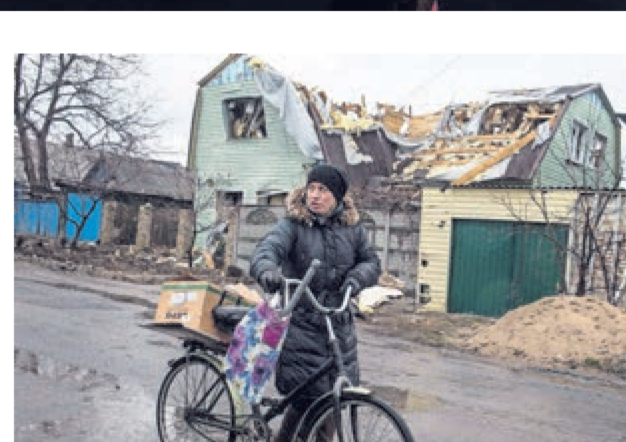
> 'The Poles try to push the issue of sanctions all the time. Why do they assume they are always right?'

Shorn of Ukraine and energy, two of the most pressing issues in the region, Visegrád's effectiveness as a foreign policy tool is stunted, diplomats and politicians told the FT, with members promoting bilateral ties instead, and openly discussing alternative groupings.

"If there are four members of the group, and one violently disagrees with the views of the others, then we have to decide if it is more effective just to agree between three," said the diplomat.

Prague and Bratislava's decision to form the so-called Austerlitz group with Austria infuriated Warsaw, though the Slovaks and Czechs say it is not intended to undermine Visegrád co-operation.

When united, the group can be a powerful tool, and is widely credited with securing less ambitious EU carbon dioxide emission reduction targets last autumn. "Rhetorically we may disagree, but in practice we all know that it is better to stand united," said Rafał Trzaskowski, Poland's Europe minister. "Of course there are differences, especially on Russia and Ukraine. But we work to find agreements, which are reflected at EU level."



**Warm welcome: Vladimir Putin, above left, meets Viktor Orban in Budapest last month. Right, destruction in Debaltseve. The war in Ukraine is a taboo topic for the allies**
— Akos Stiller/Bloomberg

Environment

# Near-redundant dam a symbol of Iran's poor planning and years of drought

MONAVAR KHALAJ — ILAM

**The enormous reservoir at Seymareh can be seen for miles. It took 3,000 workers 17 years to complete the second-biggest dam in Iran, one of the top three dam-building countries in the world.**

But two years after the $500m dam was officially opened in Ilam, one of Iran's poorest provinces, a lack of rain renders the 2.8bn cubic metre reservoir almost redundant. About a dozen labourers hang around trying to keep the premises clean. "There were mistakes in many [previous] governments. It cannot be said that dam building was 100 per cent wrong . . . but it has created some crises in some regions," acknowledged Hamid Chitchian, Iran's energy minister.

President Hassan Rouhani is rolling back on what was once a key policy. Over the past three decades, Iran has built 600 dams — an average of 20 a year — to irrigate farms and provide power.

It is unclear how much has been invested in them, though it is believed to be second only to gas and oil, and much of the money has been channelled through contractors linked to the powerful Revolutionary Guard.

Poor planning and 14 successive years of drought have left many of them useless and, in some cases, they have contributed to environmental damage in the semi-arid country, experts say.

Not a single dam has been opened on Mr Rouhani's watch. His rollback has, however, been discreet. Disparaging dambuilders would involve criticising all his predecessors, including those who support him. As president, Akbar Hashemi Rafsanjani, who backed Mr Rouhani at the polls, opened on average one dam every 45 days, earning himself the nickname "commander of construction".

But while they were once meant to be symbols of authority and a reliable buyer of votes, "most dams are currently and regrettably struggling with serious problems", said Mohammad Darvish, a director-general of Iran's Environment Protection Organisation.

**Seymareh dam: labourers hang around trying to keep it clean**

In some cases, dams have even contributed to environmental damage. Gotvand dam in the southwestern province of Khuzestan was built on salt hills and the water that now flows into the river Karoun — the country's biggest — is saline and has damaged the habitat. In other cases, dams have cut off water flows to wetlands, speeding up desertification and displacing residents, say experts and environmentalists.

"We certainly can say that, after the [1979] revolution, the highest volume of investment after oil projects was for the dam construction but that could not yield fruits," added Mr Darvish. "If we had [used] renewable energy, we could spend less money and generate more electricity . . . without damaging the environment."

The issue with the dams hint at far greater problems to come. Domestic media have warned that the nine large cities, including Tehran, will soon face water shortages. Rainfall has dropped by 16 per cent to 203mm a year over the past seven years. Renewable internal freshwater resources per capita have fallen from 4,000 cubic metres in 1979 to less than 1,600 cubic metres now, according to Iran's energy ministry.

FT **Video**
Najmeh Bozorgmehr on Iran's Norouz celebrations on the first day of spring tomorrow
ft.com/persia

Aden violence

# Yemen edges nearer to civil war after president's home attacked

SIMEON KERR — DUBAI

**Yemen descended further towards civil war yesterday as fighting escalated in the strategic port city of Aden and an unidentified warplane struck a compound used by President Abd-Rabbu Hadi.**

Mr Hadi, who is backed by the UN and Gulf states, fled to Aden last month, escaping from house arrest after Iran-backed Shia Houthi rebels ousted his government. An aide to Mr Hadi said he was in a "safe and secure" place, after the unidentified warplane — believed to be flown from the Houthi-controlled capital in the north — was chased off by anti-aircraft fire.

The air strike followed fierce fighting yesterday around the international airport in Aden, where Mr Hadi's troops clashed with units loyal to the Houthis and former president, Ali Abdullah Saleh, who was ousted after popular protests in 2011.

General Abdel-Hafez al-Saqqaf, who leads Aden's official "special forces" units but is believed to be loyal to the former president, had earlier refused an order by Mr Hadi to relinquish control to another commander.

At least six people died in the clashes around the airport and at the special forces base. There were also reports of an air strike on forces loyal to the Shia Houthis in Aden.

The violence in the port city marks an escalation of hostilities. Similar attacks occurred in the run-up to the civil war in 1994, when groups loyal to the former states of north and south Yemen fought one another.

Last September, the Houthis swept into Sana'a, the capital, from their power base in the north of Yemen. Sunni Gulf states have watched with alarm as the Houthi movement has deepened ties with Iran. In a tussle for regional dominance, Gulf leaders say the Islamic republic — their longtime foe — is extending its influence across the Arab world.

Al-Qaeda, which operates in rural regions in the central and eastern regions of Yemen, has also become more active in recent months, compounding western concerns about a breakdown of order in the impoverished state.

The Gulf states have moved diplomatic staff to Aden to give political support to Mr Hadi as he seeks to rebuild a coalition of tribes and forces to take on the Houthis and their allies, including Mr Saleh.

The Houthis, also known as Ansar Allah, or Partisans of God, are pushing for greater rights for their minority Zaydi Shia community. Over the past few years they have expanded through northern Yemen westwards to the Red Sea coast and south into the capital.

The group formed in the early 1990s, launching bookshops and running summer camps to revive the Zaydi offshoot of Shia Islam, which predominates in Yemen's north but had been sidelined since the Arab nationalist-inspired overthrow of the Zaydi monarchy in 1962.

Abdulmalik al-Houthi, the group's leader, is the younger brother of one of the movement's founders, Hussein. His death in 2004 during combat galvanised the group.

# In Saturday's FT Weekend

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Eurozone crisis

# Greek lenders face Athens debt-buying ban

## ECB debates move that would cut funding source and hurt creditor relations

CLAIRE JONES — FRANKFURT
STEFAN WAGSTYL — BERLIN

The European Central Bank is considering banning Greek lenders from adding to their holdings of government debt in a move that would cut off a key source of funding for Athens and worsen discord with its creditors.

The governing council of national central bank governors and top ECB officials have debated whether to make legally binding their recent warnings to Greek banks against loading up on their sovereign's short-term debt, or T-bills.

The ECB in mid-February issued a recommendation to the four Greek lenders under its supervision to refrain from buying more of the debt. There are concerns among some eurozone central bankers that Greek lenders could ignore the recommendations and add to their stock of T-bills regardless.

A final decision was not expected ahead of yesterday evening's EU summit in Brussels, where Alexis Tsipras, the Greek prime minister, was due to hold a separate meeting with Mario Draghi, ECB president, as well as leaders of Germany, France and the European Commission and Council.

The meeting came amid growing concerns that Athens is running out of cash.

Giannis Dragasakis, Greece's deputy prime minister, said: "The country faces liquidity problems and needs the co-operation of the European partners to cover its obligations. We haven't received a single loan instalment since August 2014 but we've been paying all our obligations."

Greek banks saw deposit outflows of between €300m and €400m on Wednesday, the largest since a stand-off last month between the leftwing Syriza government and Greece's international creditors triggered fears that capital controls would be imposed, according to two senior Athens bankers.

> 'The country faces liquidity problems and needs the co-operation of European partners'

The T-bill issue has become a central faultline in Greece's relations with its creditors. Athens had been hoping to use such short-term debt issuances to finance itself while negotiating a revision of its bailout. But the ECB has resisted on the grounds that Greek banks are the only buyers of the government-auctioned bills. Those banks are being kept afloat by loans from the Greek central bank, and central bank funds cannot legally be used to fund a sovereign government in the eurozone.

The ECB has angered Athens by refusing to lift its cap on the amount of T-bills it will accept as collateral in exchange for central bank loans. That cap is now €3.5bn. Without a higher cap, supervisors argue Greek banks are endangering their financial stability by holding assets that are hard to exchange for cash.

Greece's bailout monitors from the ECB, International Monetary Fund and European Commission imposed a ceiling of €15bn on the issuance of T-bills as part of the country's rescue programme.

The ECB has also warned Greek lenders against using emergency loans granted by the Bank of Greece to buy T-bills, saying this breaks EU rules.

At the summit, Mr Tsipras is expected to raise the T-bills issue and push for a political deal that would allow Greece access to €7.2bn in bailout funds that creditors have held back while pressing Athens to implement reforms.

Angela Merkel, chancellor of Germany, Greece's biggest creditor, has damped hopes of a breakthrough at the summit or separate talks with Mr Tsipras at a Berlin meeting on Monday.

*Additional reporting by Kerin Hope in Athens and Peter Spiegel in Brussels*

Spain. Andalucia election

# Impoverished south to test power of upstarts

## The Socialist party's lengthy and tight grip on the region will be difficult to dislodge

TOBIAS BUCK — SEVILLE

Susana Díaz makes her way slowly through the theatre of Alcalá de Guadaíra, her path blocked at every turn by crowds of supporters hoping to catch a moment of intimacy with their leader.

No one leaves disappointed. The Socialist president of Andalucia practises an unusually tactile brand of politics, emphatically hugging and kissing her way towards the exit, as if every physical touch might secure a vote next Sunday. "Take care," she whispers to an elderly lady after holding her in a tight embrace. "You're with me on Sunday, aren't you," Ms Díaz tells a young woman, gently stroking her cheek.

Her no-holds-barred appearance is part of a final round of rallies ahead of Andalucia's election this weekend. Ms Díaz knows she is defending a unique political achievement: the unbroken dominance of the Spanish Socialist Workers party (PSOE) in the country's most populous region. The Socialists have ruled Andalucia since Spain's return to democracy in 1978. Today, it is their last reservoir of real political strength — and the one region that the PSOE cannot afford to lose.

The political significance of the March 22 election, however, goes far beyond Andalucia: Sunday's vote marks the first skirmish in a series of tough electoral contests this year, culminating in a general election, that have the potential to transform Spain's political landscape. For the past three decades, the central government and most regional governments have been in the hands of just two parties — the PSOE on the left or the Popular party on the right. Now, Spain's establishment parties are facing an unprecedented challenge from a fast-rising duo of newcomers: the anti-establishment Podemos movement and the centrist Ciudadanos party.

"This is the first test of the resilience of the political mainstream in Spain, in a region that has traditionally been very leftwing," says Antonio Barroso, analyst at Teneo, a risk consultancy. "But people are also looking very carefully at what kind of coalition might emerge after Sunday."

The latest Metroscopia poll suggests Andalucia, much like the rest of Spain, is heading for political fragmentation. Podemos is forecast to win 15 per cent of the vote, and Ciudadanos 11 per cent. Whoever wins the elections — almost certainly the Socialists — will either have to form a minority government, or enter into a coalition agreement.

To outsiders, the PSOE's continued strength in Andalucia is often hard to fathom. The southern region has long been Spain's economic laggard. One in four unemployed Spaniards lives in Andalucia. Its unemployment rate, at 34 per cent, is the highest in Spain. Income per head is a quarter below the national average. Add to that a string of corruption scandals involving senior Socialist politicians, and the job held by Ms Díaz should be up for the taking. "We come last in job creation and have the highest unemployment in the country — and the one to blame is the Socialist party," says Juan Bueno, a PP candidate in Seville, the regional capital.

In reality, however, the PSOE looks all but certain to retain power, while the PP is set for a sharp fall in support. The centre-right's weakness has much to do with voter anger at the PP government in Madrid. But the recent polls also reflect enduring strengths that are particular to the PSOE in Andalucia.

One is the formidable depth and reach of the party machine, built up over three decades in power. With that comes the ability to provide jobs and subsidies. "The Socialists have built a very successful clientele network. A lot of people depend on their power," says Manuel Arias Maldonado, a political scientist at the University of Málaga.

Another factor is a residual sense of gratitude, especially among rural voters, who credit the Socialists with bringing the blessings of the welfare state to them. The social and economic gap may still be there, but it is less marked than it was at the start of the Socialist rule.

"Thirty years ago people in Andalucia would die because there was no doctor in their village. Now they have a doctor, and they value that," says Xavier Coller, a professor of sociology at the Olavide university in Seville.

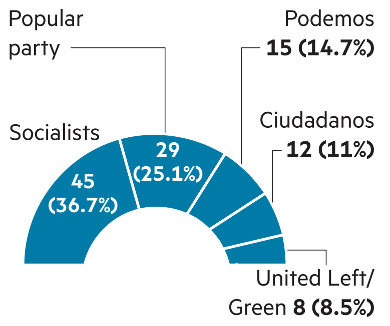
Juan Espadas, a PSOE candidate in Seville, adds: "There is a reason why the Socialist party has been winning one election after the other in this region . . . There is a generation that remembers the days when Andalucia was not a good place to live. People know how much better their lives have become."

But the Socialist campaign also rests on a powerful emotional argument, that the PSOE embodies Andalucia, and defends the region against perceived slights from Madrid and other wealthy parts of the country. At her campaign event, Ms Díaz raises one of the biggest cheers when she attacks the PP in her speech for "insulting" Andalucia.

It all makes for an idiosyncratic political offering, but one that polls suggest will win again. Socialist leaders, too, say they are increasingly confident they can fend off their challengers, both old and new: "This is a last ditch stand," says Mr Espadas. "The whole country has been turned blue [the colour of the PP]. Andalucia is the only red zone left."


**Making an entrance: Susana Díaz and a party member arrive at the Alcalá de Guadaíra rally**
Marcelo del Pozo/Reuters


**Andalucia election polling**
Estimated number of seats (and share of vote)




Sources: El País; Metroscopia

Blog

### Cautious optimism surrounds national recovery

Good news is gushing out of Spain these days like water from a Seville fountain. The economy is expanding at its fastest rate in seven years, the government predicts half a million new jobs this year and Ryanair plans to fly to and from Castellón airport — the unused, €150m facility near Valencia that was a symbol of wasteful expenditure in Spain's pre-crisis years.

Researchers also say they have found, under a Madrid convent, the remains of Miguel de Cervantes, Spain's most revered literary figure.

If only Greece could boast similar successes — a healing economy, a society recovering from the euro crisis and the discovery of Homer's skull.

Without wanting to turn a sprinkler on the parade, caution is in order.

Spanish politics gives the impression of a once-in-a-generation structural change. But it is not clear the next government will have the mandate to press on with the required measures — more liberalisation of the economy, judicial reform and a settlement of the Catalan problem.

It is also striking that voters seem in no mood to reward Prime Minister Mariano Rajoy for reviving Spain's economy — although they do not seem in a mood to turn to the opposition Socialists either. *Tony Barber*

Norfolk Island

# Mutiny stirs as Bounty's descendants draw swords over self-rule

JAMIE SMYTH — SYDNEY

**They rebelled against an overbearing leader in the 18th century. Now, the descendants of the men who launched the Mutiny on the Bounty are plotting a revolt against Australia, which is abolishing Norfolk Island's parliament in response to a financial crisis that threatens the territory's future.**

Lisle Snell, the island's chief minister and a descendant of Matthew Quintal, one of the sailors who cast Captain William Bligh adrift from HMS Bounty in 1789, compared Canberra's actions with the "colonial era".

He said yesterday that his government would debate whether to hold a referendum on self-determination and appeal to the UN.

But Mr Snell admitted the island's 1,800 inhabitants were divided on how to respond to the proposed political reforms, which include federal taxes.

"We need international assistance to stall or thwart this move by the Australian government," he said.

The fiercer discontent of 1789 led to master's mate Fletcher Christian seizing control of the Bounty from the ruthless Bligh, a move immortalised in several films. In 1855, Queen Victoria bequeathed the South Pacific island — a former penal colony — to descendants of the mutineers, who until then had been living on the tiny island of Pitcairn with their Tahitian wives.

Norfolk Island is now an Australian territory, and has enjoyed self-governance with a four-member government and a parliament of nine since 1979.

For much of the 20th century its economy was agriculture-based. That gave way to tourism in the early part of this century, with half the population working in the industry. But the 2008 global economic downturn dented that, and last year the Australian audit office found the island would post annual deficits of A$7m (US$5.3m) for each year between 2014 and 2017.

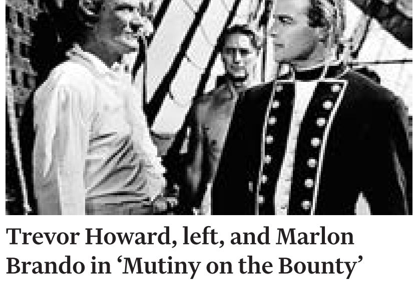
> 'We need international assistance to stall or thwart this move by the Australian government'

Norfolk Island already owes Canberra A$11.4m — it generated just less than three times that in 2013 — and under the reforms of Tony Abbott, Australia's prime minister, residents will pay personal and income taxes and will be entitled to access social security payments and Medicare, which they are currently denied. Canberra will also introduce governance reforms.

"The reality is, infrastructure on Norfolk Island is rundown, the health system not up to standard and many laws are out of date," said Jamie Briggs, assistant minister for regional development.

The Norfolk Island Legislative Assembly will become a regional council and the Australian government will take over responsibility for taxation, immigration, quarantine, customs and social services, among other areas.

Mr Snell, who said the Norfolk government would discuss the plans soon, added: "To think in this day and age that a government can disband another elected parliament in the Westminster tradition is unheard of."



**Trevor Howard, left, and Marlon Brando in 'Mutiny on the Bounty'**

Trans-Pacific Partnership

# Obama braced for uphill struggle to push through trade deal as political pressures mount

SHAWN DONNAN AND MEGAN MURPHY — WASHINGTON

**After more than half a decade wrangling over rules for everything from data flows to fisheries' subsidies, the US, Japan and 10 other countries are close to finalising one of the biggest trade deals ever struck — the Trans-Pacific Partnership. Or are they?**

To close the deal, US president Barack Obama needs "fast-track" negotiating authority from Congress to guarantee that the 535 members of the US legislature will not try to renegotiate what the administration has thrashed out.

Support is there, but opposition too is fierce. Here are five reasons why Mr Obama will have his work cut out.

### Congress looks increasingly messy

When Republicans in January assumed a majority in both the House of Representatives and the Senate, party leaders said trade and tax reform would be at the top of an economic agenda that had at least some bipartisan support. Less than three months later, Congress remains gripped by the same dysfunction that has crippled efforts to move forward with legislative priorities. This has cast doubt as to whether the next two years will be any different to the past six. Add in the prospect of the 2016 presidential election cycle and looming battles on everything from infrastructure spending to immigration and getting anything done seems more difficult by the day.

### Trade remains a tough sell in the US

Mr Obama has touted trade as a means to create jobs and lift wages, but even he knows this is a tough sell. Part of the difficulty is that since the North American Free Trade Agreement took effect 20 years ago, the debate has morphed into panic about jobs migrating to China. Proponents of free trade grumble that this noise drowns out improvement to US living standards courtesy of low-cost imports or how disruption in manufacturing has unleashed innovation elsewhere in the economy.

### The left is fighting Obama hard

On trade, Mr Obama also faces opposition from within his own party and the labour unions, which have long had close ties to it. The AFL-CIO, the biggest US trade union, has threatened to pull campaign donations from any member of Congress who votes for the Trade Promotion Authority or the TPP.

### Rightwing opponents are also mobilising

While some prominent Tea party figures such as Senator Ted Cruz have backed the TPP, other Republicans will vote against granting Mr Obama fast-track authority purely on the basis that they oppose giving him anything. The question is, how many?

### The clock is ticking

The biggest challenge for Mr Obama may be time. Senior TPP negotiators insist that once the US returns to the table with fast-track authority, they can close the deal within weeks. But Mr Obama's team believes even an accelerated process would take six months to get from the negotiating table to Congress. A vote to ratify the TPP would also be unlikely in a presidential election year — and 2016 is fast approaching.

Tim Groser, New Zealand's trade minister, said this week that inaction by Congress could see the TPP meet the same ignominious fate as long-stalled discussions in the World Trade Organisation, where 14 years of talks has yielded little.

Faltering peace talks to resolve a bitter civil war have taken on new urgency with the spread of Isis and other jihadi groups in the oil-rich state at the crossroads of Africa, the Arab world and Europe.

*By Borzou Daragahi, Alex Barker and James Politi*


This time it was the guards from an Austrian-run gas facility in Libya's Saharan southwest. They were shown beheaded in a series of images posted to social media on March 8. A few weeks earlier it had been 21 Egyptian Coptic Christian labourers, their throats slit, some murmuring prayers as they were slaughtered in the central coastal city of Sirte. A month before that it had been the storming of the five-star Corinthia Hotel in Tripoli in which nine were killed, including US and French nationals.

The message was clear: not only had the Islamic State of Iraq and the Levant, the group known as Isis, expanded its network to lawless, warring Libya, it has managed to spread tentacles throughout the vast oil-rich desert nation.

"What else needs to happen to create alarm?" asks a senior official of the Italian government, among the countries most anxious about the emergence of Isis at the heart of its former colony. "All the signs are converging. We have to avoid what happened in Syria. We did not understand the dramatic nature of the problem and we woke up with the tables turned."

The emergence of Isis has waylaid what was already a shaky western consensus on how to end the complicated Libyan civil war and further marred the 2011 toppling of Muammer Gaddafi, once a signature achievement for the British, French and US administrations. The severity of the problem — as well as domestic political constraints — has left a sense of powerlessness and drift that is only starting to be challenged. Libya is back on the agenda of world leaders. An EU summit today will discuss events in the country.

Publicly, western powers and Libya's neighbours support the continuing UN-mediated talks meant to heal rifts between the democratically elected government now based in Tubruq and the Islamist and Misurata-backed coalition of militias and political groups that seized control of the capital last August.

The plan is to cobble together an effective unity government that can concentrate on restoring order. But the emergence of Isis and other militant groups has set off panic in some quarters amid fears of an unfolding nightmare scenario: jihadi groups taking control of a wealthy state at the crossroads of Africa, the Arab world and Europe.

Beneath the consensus on UN-brokered talks, there are profound differences over what to do if, or when, the talks fail. At the same time, a regional proxy war is playing out. Egypt and the United Arab Emirates provide robust military support to the government in Tubruq, while Turkey and Qatar are ensuring its breakaway rival in Tripoli can hold its own. All the while, Isis is enjoying the ungoverned space to grow.

An attack by presumed jihadi militants on a museum in Tunisia this week highlighted the potential regional dangers of Isis's rise in Libya. At least 19 people were killed in the attack, which bore the hallmarks of al-Qaeda and Isis.

Federica Mogherini, the EU's foreign policy chief, describes an "explosive mix" 250 miles off Europe's shores: Libya awash with arms, terrorists gaining ground and disorder spreading along the embarkation point for the world's busiest migration sea route. Yet her attempts to force the pace of planning and engagement face resistance: many European ministers think it premature to consider risky, ambitious options such as an EU border control or infrastructure protection mission. High ranking officials speak of widespread confusion and despair about how to contain the crisis. "We're in hand-wringing mode," says one.

After four years of chaos and a 10-month civil war, Libya is a disorderly patchwork of armed groups with two competing parliaments and roaming jihadi fighters. Oil output has slumped from as high as 1.4m barrels a day in 2012 to as low as 200,000 b/d before inching back up to nearly 500,000 b/d by mid-March. Hundreds of thousands of people have fled the country.

> 'The biggest threat to the west is that anarchy in Libya leaves free space for terrorists like al-Qaeda and Isis to operate'

### Warring factions

To the west is the Tripoli-based Libya Dawn, an unwieldy Islamist-leaning coalition including the local Muslim Brotherhood and remnants of the al-Qaeda-linked Libyan Islamic Fighting Group backed by powerful militias from the battered city of Misurata, whose members number in the tens of thousands of fighters and present themselves as the "revolutionaries" of the new Libya. Diplomats suspect it of arming and financing the al-Qaeda linked Ansar al-Sharia and other jihadi militants, which later metastasised into Isis.

Some 800 miles to the east, in Tubruq, is what is left of Libya's elected government, still recognised by most of the international community. Its backbone: the remnants of the old security forces and tribal leaders who teamed up with liberals such as supporters of former premier Mahmoud Jebril.

It won three elections, but at one point the group was brought so low that it had to seek refuge on a Greek car ferry moored in Tubruq harbour. Their putative saviour is a controversial strongman: General Khalifa Haftar, a former commander in Gaddafi's military. Backed by Egypt, Russia and the UAE, his forces are assaulting Islamist militias in Benghazi, with allies in western Libya similarly taking up arms.

Gen Haftar's critics worry that he relishes destroying his Islamist political rivals more than reining in jihadis. He is now supreme commander of Libya's armed forces. But as he focused on Benghazi, assorted jihadis — some fresh from Syria and Iraq and claiming allegiance to Isis — established strongholds along the coast in Derna and the besieged city of Sirte.

The Libya debacle can partly be traced back to the months before Gaddafi was toppled with the help of Nato air strikes and the failure of western powers to understand the complexity of the country. Joseph Walker-Cousins, a former UK diplomatic adviser serving in Benghazi, says western officials from the start were grossly misinformed about the nature of Libyan institutions, in part because influential Islamist-leaning exiles misled them.

"We were told that the army was gone and the tribes meant nothing and revolutionaries were going to build a fresh new state," he says. "First thing we saw was the army rebelling against Gaddafi, and the tribes became the most important structure for social order.

"Most of the people who took part in the revolution went home after they secured their objective of getting rid of the tyrant," he adds. "The people who kept their shoulder to the wheel were predominantly Islamists seeking not only to take part in society but to own the state."

The man with the unenviable task of stitching Libya back together is UN special envoy Bernardino León. Talks so far have been fitful and agonisingly unproductive. The Isis threat has added urgency to the process and Mr León believes a deal is still possible. Yet the talks remain at a stage where just a face-to-face meeting between the two sides is viewed as a triumph. "We're still hoping they will succeed," says Abdel-Rahman Swehli, a pro-Libya Dawn politician from Misurata.

London and Washington are among the most ardent backers of reconciliation talks and see no alternative to plan A: the patient pursuit of a unity government. This strategy entails pushing broad dialogue, even if it leaves elected Tubruq politicians angry at being forced to engage with enemies they see as Islamist usurpers and thugs. "Everyone is getting cross about us forcing them to sit down with all these unsavoury guys," says one western diplomat involved in the process. "We didn't want to be in this situation. The fact is that the government and parliament we recognise don't control the territory."

### Diplomatic dilemma

For Jonathan Powell, the UK's special envoy to Libya, the country is suffering "a civil war that is leading to a situation of anarchy".

"The biggest threat to the west is that anarchy in Libya leaves free space for terrorists like al-Qaeda and Daesh [the Arabic acronym for Isis] to operate," he says. "There are two ways to deal with that — the best option, a national unity government that can enforce its will across the country, or at least a military coalition between the armed groups to fight Isis."

But outside powers are drawing up contingency plans in case Mr León fails. Insiders in Egypt and the UAE, which for months have been providing weapons, ammunition and aircraft to Gen Haftar, believe there is a 50-50 chance of a peace deal at best. They are panicking that there is no plan B and making preparations for the worst — as are Turkey and Qatar, their rival powers backing the militia in Tripoli. For these countries, the potential repercussions of Libya's further implosion are huge, with jihadis in Libya suspected of supporting attacks in Egypt, Algeria and Tunisia.

Meanwhile Gen Haftar is lobbying major powers to lift a UN arms embargo to help him establish order. "I ask [Italy's Prime Minister Matteo Renzi] to convince the international community to lift the arms embargo and help us fight for a Libya free from extremists," he told an Italian news agency. "It's decisive for Italy too: should Isis win your security would be at risk." The anti-Haftar camp, by contrast, argue for the use of targeted sanctions to punish any moves by the general to scupper reconciliation talks.

For Mr Powell and others, halfhearted attempts to tip the military balance are dangerous. "What seems to me a bad idea is picking sides. People who entertain that idea don't do it for long," he says. "If you support one side or another you don't bring the civil war to an end unless you intervene and are prepared to put troops on the ground and I don't detect any appetite to do that. Otherwise the civil war just goes on and we end up with a Somalia on the Med."

It is a far cry from when Nato leaders such as Britain's David Cameron were lionised by cheering crowds in Benghazi in 2011. Even within governments, there are growing differences over what to do. And they face increasing criticism that the current approach is taking too long and stalling counter-terrorism action.

For now there is support for the UN talks. Even Cairo is showing greater restraint. But Paris and Rome, alarmed by the potential Isis threat to French troops in Mali and Italy's coast some 250 miles north, are edging closer to the Egyptian position without officially endorsing air strikes. They continue to hold out hope the talks will succeed.

"We seem to be at the beginning of a process," says one French official. "But it has to be quick or it will die. We can't wait six months for a unity government, we have to address the Daesh threat in a much more urgent manner."

The senior Italian official is frustrated that the UN-led international community still "fails to take into account the situation on the ground". With conditions "deteriorating rapidly", he warns that Isis is on a "recruiting campaign" to reel in members of the feuding militias. Mistakes made in Syria — where the rise of Isis caught the west by surprise — could be repeated in Libya, he warns. "It's a battle against time — I'm not talking about months but weeks."

### Rome's lead

With Libya soaring up the Italian domestic agenda, the Renzi administration is investigating more drastic steps. Rome briefly entertained replacing Mr León with an Italian, but found little support in other capitals. Italian media is filled with anonymous officials touting plans ranging from a sea blockade of Libya to deploying troops to protect vital installations, including crucial energy facilities. "Libya is too important and too close to Italy [for Rome] to reject military intervention if it were necessary," says Mattia Toaldo of the European Council on Foreign Relations.

Old-hands in the British diplomatic corps are also questioning London's policy of "aggressive neutrality" on Libya, pointing to connections between the jihadis and Libya Dawn. Some advocate working more closely with Tubruq to check Gen Haftar's political ambitions and assuage fears that the west is seeking to force them to accept an Islamist government. At the same time they stress the need to ease the worries of the Misurata militias that Mr Haftar represents the second coming of Gaddafi.

"Even though they are deeply unpopular the Islamists have managed to maintain the perception that they are viable and legitimate players, which they are not," says Dominic Asquith, former UK ambassador to Libya, in his first public criticism of UK policy since leaving the Foreign Office.

"You've got to sway the people in Misurata, assuage those worried that you're handing Libya back to Gaddafi loyalists. Rather than quarantine Haftar we should be engaging and influencing him to accept those who have an elected status, including Misurata."

*Additional reporting by Roula Khalaf*

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**Speed read**

**Fear of failure** Outside powers are drawing up contingency plans in case the UN talks fail to produce a unity government and end the violence in Libya

**Proxy war** The various factions in Libya's civil war have regional backers offering arms and financial support as they jostle for influence in the oil-rich state

**Muddled politics** Four years on from the fall of Gaddafi the country is a patchwork of armed groups with two competing parliaments and roaming jihadi fighters

**1.4m**
Barrels a day in oil production at its high point in 2012 after the fall of the Gaddafi regime in 2011

**200,000**
Production slipped as the civil conflict took a toll on the industry

**0.5m**
Oil ministry estimate of output in mid-March after two fields in the west restarted production

**A fighter with a rocket propelled grenade in Misurata** — Reuters


# FINANCIAL TIMES

'Without fear and without favour'

FRIDAY 20 MARCH 2015


# The US Fed shifts from patience to flexibility

*Yellen is right to drop the self-imposed constraints of guidance*

Janet Yellen has given her own version of Deng Xiaoping's dictum about "crossing the river by feeling the stones". Rather than implying an imminent turn in the US monetary cycle, the Federal Reserve's decision to drop the word "patient" signals its open-mindedness. To paraphrase Ms Yellen, the opposite of patient is not impatient. It is flexible.

At this point in the US recovery, the Fed is wise to adopt that posture. The markets put a euphoric gloss on Ms Yellen's shift in vocabulary on Wednesday. But she has given herself enough wiggle room to raise rates in June should the data point that way. Nobody could say they lacked advance notice. The long-awaited shift from the interest rates tethered to the zero-bound is coming. Ms Yellen is rightly agnostic on precisely when that will be.

The historic danger is that once the Fed starts to raise rates, it will continue to do so regardless. Much like a supertanker, the Fed finds it hard to alter from its committed course. During the last monetary cycle it lifted rates at 17 consecutive meetings. The most unexpected aspect of the Fed's announcement on Wednesday was the degree to which the open market committee's "dot plot" of interest rate forecasts is converging with the market's more dovish expectations. This is a positive sign. It implies that the turn in the US monetary cycle could be less steep than in the past. It is also consistent with continued murkiness in some of the economic data.

By the standards of Japan and the eurozone, the US recovery looks robust. But it is weak compared to previous US expansions. Unemployment continues to fall — it may well drop below 5 per cent in 2015. But the labour force participation rate remains disappointing. There is still room for debate about how much slack there is.

Moreover, real wage growth is largely absent. The housing market recovery continues to be anaemic by past standards and consumer spending has stalled in the past three months. Some of this might derive from the chilling effects of yet another harsh winter. The economy shrank in the first quarter of 2014 only to rebound strongly later in the year. It is quite possible 2015 will follow the same meteorological pattern.

The impact of a strengthening dollar is also weighing on Ms Yellen's calculations. By reducing the cost of imports, the soaring dollar has helped to keep a lid on US consumer price inflation. Again, however, the picture could quickly change. With luck, the European Central Bank's bond buying programme will lift the eurozone growth rate in the coming months, which may in turn lead to a more stable euro-dollar exchange rate. Higher eurozone and US growth could also put a floor under the global oil price, which has been a big factor in keeping inflation subdued. Likewise, Walmart's recent announcement of across-the-board wage increases for its millions of employees suggests US pay levels may finally be starting to catch up with headline growth. Assuming that spring has finally arrived, US housing starts are also likely to rebound.

Most of the data are pointing the right way. But the Fed's watchword should be flexibility. This week Stanley Fischer, Ms Yellen's deputy, said the Fed should not feel obliged to telegraph every decision it will take in advance. Such constraints are no longer helpful. He is right. On Wednesday the Fed finally discarded its self-imposed straitjacket. From now on the Fed will take the data on merit and act accordingly from meeting to meeting. The markets have been warned. The era of rigid guidance is over.

# West has an obligation to the people of Tunisia

*The country must not be forsaken as it faces a growing jihadi threat*

The gun attack in the city of Tunis this week was the latest example of the havoc wreaked by Islamist militants in cities across the world. But the assault, in which at least 23 people were killed, should be condemned not just for the murder of innocent civilians. It was a calculated attempt to destabilise Tunisia, the one nation in the Middle East and north Africa that has seen a peaceful transition to democracy in the wake of the Arab spring. The US and its European allies, which have fallen badly short in their response to the upheaval in neighbouring Libya, should now rally in support of the Tunisian people.

When Tunisia experienced its "Jasmine revolution" in 2011, many feared the country would plunge into civil war between secularists and Islamists. Yet political leaders in this nation of 11m people opted for that rare Arab commodity: compromise. Today, the Nida Tunis secular party and the moderate Islamist Nahda party are working together in a national unity government led by President Beji Caid Sebsi, overcoming their earlier mistrust. As a result, Tunisia, located as it may be in one of the world's most dangerous neighbourhoods, is widely lauded as the Arab world's most successful democracy.

Tunisia faces two big problems, however. The first is the growing threat of jihadism, which this week's attack has grimly illustrated. The assault at Tunis's Bardo museum may have been carried out by Islamic State of Iraq and the Levant, or Isis, which has claimed responsibility. But extremist groups such as al-Qaeda and Ansar al-sharia also run long-established local cells. Their capability was boosted by the collapse of the Libyan dictatorship four years ago, an event that saw tens of thousands of weapons and military vehicles falling into the hands of local militants.

The second problem is the state of the economy. Although economic activity has held up well in recent years, the country is deeply dependent on the state of European markets, which have been sluggish until now. Tunisia's annual economic growth, at about 3 per cent, is well below the level needed to provide jobs for its disaffected youth. Among the biggest concerns raised by this week's attack — in which most of the victims were foreigners — is that it may depress the country's vital tourist sector.

President Sebsi is a veteran politician whose initial condemnation of the outrage has been resolute. But the international community has a vital role to play. One immediate task should be for the UN, EU and Nato to co-ordinate a plan to boost the ability of the Tunisian army and police to face down the terrorist threat. These international bodies should also help Tunisia to seal its southeastern border against incursions by jihadis and criminal gangs. On the financial front, western powers ought to provide substantial support to the country in the form of loans, investment and debt relief, measures that would help to allay the country's growing social pressures.

The upheaval afflicting the Middle East and north Africa poses immense challenges for the international community. However, western leaders should recognise their special obligation to Tunisia. It not only offers a shining example of how western-style democracy and Islam can coexist in an Arab state. The country is also paying a high price for the Nato-led intervention in Libya that has destabilised the region, a problem exacerbated by the intervening powers' subsequent neglect.

The west failed the people of Libya. It must not repeat that mistake in Tunisia's hour of need.

# Letters


**Email:** letters.editor@ft.com or
**Fax:** +44 (0) 20 7873 5938
Include daytime telephone number and full address
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## The Greek economy is actually beginning to recover

Sir, Your editorial "Greek exit from the euro is not a risk worth taking" (March 18) is right — Grexit would be a huge mistake both for Greece and for Europe. Those in Europe who raise the possibility of an exit either to end the obstreperous behaviour of the Greek government and bring it in line or simply, as you say, to end the weary drama and charade of public posturing and protracted foot-dragging in negotiations that result in promises delivered in bad faith for debts being extended should think about what would happen after an exit.

Greece owes about €315bn. More than 75 per cent of its sovereign debt is owed to its official lenders. It must repay the IMF and ECB €15bn this year, more than it must pay in any other year between now and 2030. If Greece were to exit and restore the drachma, the new currency would immediately drop precipitously in value against the euro, increasing the cost of repaying its euro-denominated debt and making a default unavoidable. A default would exclude Greece from international markets unless it could somehow transform its perpetual current account deficit into a surplus. But more important for the Europeans who think Greece should exit, a default would cost the eurozone members and institutions more than €180bn — their share of the two bailouts — plus their share of the €58bn owed to the IMF from the two bailouts. No wonder the Greek government acts as it does; it knows that, faced with the prospect of absorbing most of the external cost of a default if it forces an exit, Europe will, at the end of the day and despite the tiresome conduct of the Greek government, provide it with what it needs in order to stay in the eurozone. As a game theorist might say, the Greeks have Europe right where they want it.

Those in Greece and elsewhere in Europe who are suggesting that it exit should think about something else as well: the largely unnoticed fact that, after five years of austerity and despite an unemployment rate that exceeds 25 per cent, the Greek economy is actually beginning to recover. Last year, it grew for the first time since 2007 and it's expected to grow this year by 2.5 per cent — twice the eurozone average and well above the rates in Germany, France and Italy. It grew despite a very substantial reduction in the budget deficit — from 12.2 per cent of gross domestic product in 2013 to 2.5 per cent last year — and the primary balance — from a deficit of 8.2 per cent in 2013 to a surplus of 1.7 per cent last year. That reduction occurred because expenditures were reduced by more than 10 percentage points of GDP.

It's easy for commentators to say, as your editorial did, that previous governments of every hue failed convincingly to reform the economy and there is no doubt much work that still needs to be done to reform it. But after six years of economic contraction, Greece has finally begun to turn the corner. Surely the worst possible course for both it and Europe would be for it to choose or Europe to force a Grexit.

**David R Cameron**
*Professor of Political Science,*
*Yale University,*
*New Haven, CT, US*

## One or two home truths for you, Mr Dragasakis

Sir, Yannis Dragasakis, the deputy prime minister of Greece, describes its Sisyphean debt dynamics with customary elegance ("All we ask is that Europe give Greece a chance", March 18). I certainly recall sharing the futility of Sisyphus when waiting for a taxi at Kos airport last summer.

"We normally clear the queues in two hours," a self-congratulating taxi driver declared when I finally got to the top of the queue. The driver's official chart then showed me that a 20-minute taxi ride would cost €28, which equated roughly to what I had paid to a London taxi driver earlier that morning for a similar distance. The driver in Kos, tanned and relaxed, proceeded to then tell me how he and his colleagues needed to charge such rates as they work "only six months of the year". Suddenly I felt lucky that he didn't work for just three months or he might have charged me €56.

He then went on to explain that the value of his cab licence had been more than €200,000, but after some changes by the "troika", which he had fiercely resisted, he was now not so sure. "More licences might create jobs for your children, even your daughter," I muttered; and "may even improve the consumer experience perhaps," I added timidly. Our dialogue stalled at that point.

When we finally got to our hotel, the staff were predominantly eastern European.

I hasten to add that the Greek holiday experience was as charming as ever but some acknowledgment of the clientelist, rent-seeking ethos that has strangled their economy needs to sprinkle Mr Dragasakis' Sisyphean narrative.

**Tom Maher**
*Director,*
*British Home Tutors,*
*London SW6, UK*

## Blair owes explanation to Palestinians living in hope

Sir, Your article "Few results to show for Blair in contentious Middle East role" (March 16) rightly describes the British former prime minister's tenure as representative of the Middle East Quartet as one of "few accomplishments". An overwhelming majority of those following Middle Eastern events thought Tony Blair's appointment ill-advised eight years ago, and share a similarly negative assessment today of his eight years as the Quartet's envoy. It would indeed be wise therefore that he resign his post as representative of the Middle East Quartet.

Should Mr Blair do so, however, it would only be fair and appropriate that, after eight years of talks and negotiations with Israelis and Palestinians, he give an honest assessment of his work during that period and the role played by either side in blocking a peaceful resolution of the Arab-Israeli conflict. Mr Blair owes an explanation to those Palestinians who were living in the hope of his helping to bring peace to the area, but all they have seen in the past eight years is continued devastation and loss of innocent life. He owes those innocent souls some kind of explanation.

We wish Mr Blair well in his future endeavours, but we believe he will do all the better for setting the record straight. We ask him to provide a sincere assessment of where responsibilities lie for blocking efforts to resolve the Arab-Israeli conflict peacefully.

**Hassan Yassin**
*Political Analyst,*
*Riyadh, Saudi Arabia*

## Lagarde simply is not qualified to head IMF

Sir, John Kay, in "Boardroom tokenism skirts the need for female skills" (March 18), commits an exceptionally rare howler, regarding the head of the IMF, when he writes that "no one doubts that Janet Yellen and Christine Lagarde secured their demanding jobs on their own merits".

Ms Lagarde's post remains the exclusive monopoly of continental Europeans, and within that disproportionately the French, despite the, shall we say, "mixed" record of that selection bias. And her particular disqualification for the post runs even deeper as a far more qualified candidate, Stan Fischer, now deputy to Ms Yellen at the Fed, was muscled out of consideration on the grounds of age by an outfit that is (rightly) urging greatly increased retirement ages worldwide. And do not overlook that Ms Lagarde is not even an economist. That is a fundamental disqualification, given that those in the IMF are riven by major disagreements on virtually all key substantive matters. Leaving their disputes to be settled by a politician with direct interest in the outcomes has resulted in debacles ranging from her endorsements of the Cyprus bank deposit haircut, renewed securitisation worldwide, the two latest instances of ridiculous IMF programmes in Ukraine, and its repeated failure to warn of the dangers of Grexit for the broader eurozone.

All this even taints her credibility in making the urgent case for better gender balance in workforces worldwide, including in finance.

**Peter Doyle**
*Washington, DC, US*


## Isas have been sullied by a link to buying property

Sir, Why has the chancellor sullied the good name of individual savings accounts by introducing a Help to Buy Isa? Despite being in a position to potentially benefit from the plan, I cannot see why taxpayers should directly subsidise the purchase of private property by individuals.

First-time buyers are often encouraged sufficiently strongly by well-meaning relatives to "get on the housing ladder" — which one can see, after even the briefest of considerations, is not really a ladder at all — but this should not be an aim in itself, particularly when housing is so expensive (as it is in London).

We are often told that the problem of overpriced housing in this country is caused by a chronic lack of supply, but is this really the case? Britain now has more bedrooms per person than ever before. The real problem is demand. As Robert Shiller famously indicated, people use past rises in property prices to justify paying ever increasing amounts (until the inevitable crash).

**Mark Hammonds**
*London SW9, UK*

## Fortune has smiled on Osborne twice over

Sir, Machiavelli drew attention to the lady Fortune as the key determining factor in political success; so, instead of trumpeting Britain's current economic growth and low inflation, perhaps George Osborne should reflect upon how lucky he was not to be chancellor when the global banking crisis occurred, and how lucky he is that international oil prices and other commodity prices have recently been significantly falling. Indeed, humility rather than hubris is called for.

**Peter Cave**
*London W1, UK*

## 'Austerity' continues to seem inappropriate

Sir, You used the word "austerity" in your Budget front-page headline (March 19). This continues to seem inappropriate. It frames the debate, and kidnaps the answer, to what is simply a discussion about how we live within our means. And then start paying back the money that we have already borrowed.

**Mark Bogard**
*London NW3, UK*

## Correction

● On March 17, we published a letter from Sean Williams, group director, strategy, policy and portfolio at BT Group, in which he stated that BT's Openreach unit increased its capital expenditure by 10 per cent a year from 2009-14. This was incorrect. In fact, Openreach increased its capital expenditure by 10 per cent over the whole period, not each year.


COMMENT ON FT.COM
**The Exchange**
Budget measures show Osborne's plans allow no room to achieve his ambitions
**www.ft.com/the-exchange**


# *How to accommodate rivals and disappoint friends*

## Notebook

*by Robert Shrimsley*

*The US has publicly rebuked the UK for signing up to China's Asian Infrastructure Investment Bank.*

**The telephone rings in the prime minister's study in Downing Street. David Cameron picks it up.**

**DC** Barack, lovely to talk to you. Seems like ages.

**BO** David, good to catch up. Sorry we haven't spoken for a while but I've been dealing with foreign affairs — not your thing.

**DC** Yes, I know, you've been very busy with François and Angela. You know we're always happy to *talk* about foreign policy.

**BO** That's good to know. In fact, in a way, it's a foreign policy matter I was keen to discuss. I have to be honest, David, we were surprised to learn that Great Britain had signed up to be a founding member of the AIIB. I thought we had made clear, we do not want you to do this.

**DC** Yes, we got your message delivered through the Financial Times. Look, we are close to the election, and standing up to the US plays pretty well here but for future reference we have this chap in DC we call the ambassador and he's always happy to deliver a message. Point of his job, really.

**BO** Yes, I'm afraid feelings are running high on this, David.

**DC** I understand. Perhaps we could close the embassy and send you a couple of reporters. Or maybe you could set up an @angryprez Twitter feed and we could just follow you.

**BO** I hear you David but that's water under the bridge. We need to talk about the AIIB.

**DC** Um, Barack if you don't mind I'm going to bring George Osborne, my chancellor of the exchequer, into this conversation. This is his baby, really. *(The door opens and Osborne enters)*

**GO** *Ni hao*, Mr President.

**BO** That's what I'm talking about.

**GO** Mr President, we have learnt that, if something is going to happen, it is often better to be present at the creation. As Confucius said: "Heaven sends its signals; wise men act accordingly."

**DC** I thought that was Mao.

**GO** And we really are not putting up very much money.

**BO** How much?

**GO** It was going to be a few million but I've diverted some to a church roof repair scheme and I spent £1m on a Budget day joke about Agincourt.

**BO** Yes, but even the longest journey starts with a single step.

**DC** Now, that *was* Mao.

**GO** Lao Tzu, actually.

**DC** Is he the commerce minister?

**BO** But this bank will be used to spread Chinese political influence. It will undermine the World Bank's efforts to set standards for integrity and human rights.

**GO** Ah, yes, but as they say in China: "A straight foot is not afraid of a crooked shoe." And we remain totally committed to human rights.

**DC** That's right. In fact I'm due to meet the Dalai Lama next month.

**BO** In Downing Street?

**DC** Not quite. I've agreed to run into him by the Nando's near Oxford Circus. But we will have a full and frank discussion, as well as some peri-peri chicken.

**BO** Now, look, David, obviously this is sovereign matter for the UK. But that means we don't expect you to louse up the decision. You know what happens if you get too far out of line with our foreign policy.

**DC** An invitation to address both houses of Congress.

**GO** Mr President, we see many benefits in joining China's initiative.

**BO** Such as?

**GO** Well, we are still hoping they are going to rebuild the Crystal Palace for us. And we've got some ground to make up because of the opium wars if London is to be the international centre for the renminbi.

**BO** This constant accommodation of China is bad for the west. Beijing does not respect weakness. It seems you are losing your will to be an ally for freedom. Worse still, your proposed cuts would take defence spending below 2 per cent of GDP.

**GO** Actually, we may have some good news on that. We are talking to Beijing about sponsorship of our aircraft carriers. HMS Alibaba and HMS Sinopec could be built within three years. They are made in Dalian and come with a full set of Shenyang J-15s. Terrific value. We may send them on a tour of the Diaoyu islands.

**BO** You mean the Senkaku Islands?

**GO** You say potato . . .

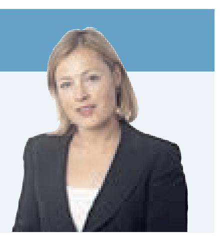
*robert.shrimsley@ft.com*

# Comment

## Quicksilver markets can catch out the unwary

FINANCE

Gillian Tett



Another week, another wave of soaring stock markets. The Nasdaq topped 5,000, nearing an all-time high, after the US Federal Reserve indicated that monetary tightening will proceed slower than investors had feared. That prompted other global stock indices to jump, as investors also took comfort from the fact that the European Central Bank is unleashing its own quantitative easing.

But before anyone gets too thrilled about equities, they should read a sobering research document from a corner of the US Treasury known as the Office of Financial Research.

Ted Berg, an OFR analyst, has studied the history of American stock markets, and concludes the S&P 500 is nearing a "two sigma" (or two standard) deviation from the historic norm. In plain English, his charts imply that markets are in bubble territory, comparable to patterns seen in 1929, 2000 and 2007.

The indication, then, is that a big correction-cum-crash looms; indeed, Mr Berg thinks the situation is so fragile that the OFR report has the provocative title Quicksilver Markets. And, as Mr Berg says: "Quicksilver markets can turn from tranquil to turbulent in short order." He draws parallels with 2006.

Investors should keep a close eye on the OFR. It was created under the Dodd-Frank Act that followed the 2008 financial crisis, with a mandate to monitor threats to financial stability. It seemed the OFR would be a boring, data-gathering body.

This year, however, the OFR started publishing freethinking research that challenges the orthodoxy of other government bodies in Washington. Earlier this month, for example, one of its economists cheekily questioned the value of the Fed's bank stress tests — just before the stress-test results were announced. The release of the Quicksilver Markets report on the eve of the press conference given by Janet Yellen, Fed chair, following the central bank's latest statement seems to be in a similar (cheeky) vein.

The fact that the OFR is speaking up is potentially useful for parts of the Washington government. Back in 2006 and 2007, as credit and equity markets soared, many policy makers were privately nervous about the bubbles. But almost nobody dared to ring alarm bells, for fear of setting off a crash.

> Charts imply that equities are in bubble territory, comparable to patterns in 1929, 2000 and 2007

This time around, some policy makers are still nervous of speaking too openly about bubbles (not least because an explicit goal of quantitative easing has been to raise asset prices). Others are convinced that the bureaucracy needs to learn the lessons of 2006, and speak up. One way to make sense of the messages emanating from the OFR is that they create a paper trail for Washington officials that might be useful in a senate hearing in few years' time. Nobody can say they were not warned.

But the most important point is that, if Mr Berg's analysis is correct, many investors need to rethink how they evaluate equities. When main street analysts judge whether equity markets are fairly valued, they typically use the price-to-earnings ratio. On this measure, US stock markets do not look so wildly expensive and many retail investors continue to pour cash into equities.

Mr Berg suggests that it is wrong to rely on the PE ratio, since it is distorted by analyst optimism and low interest rates. He prefers to use other measures, such as the "Cape" ratio (a cyclically adjusted PE ratio), Q-ratio (a measure that focuses on non-financial companies) or the so-called "Buffett index" (a measure of corporate market value to gross national product favoured by Warren Buffett).

Those measures may be as flawed as that PE ratio. However, the point to note from Mr Berg's paper is that all three of these alternative measures suggest equity valuations are extreme by historical standards. This does not tell us when the turning point might occur but Mr Berg wants investors and policy makers to focus on the risks of a 2000-style crash, particularly if it breeds contagion.

Thankfully, some investors are listening. This week Bank of America Merrill Lynch released a survey of fund managers that showed that a net 6 per cent of global asset allocators were overweight in US equities in February, but now 19 per cent are underweight. It is a remarkable swing in a short space of time, and has created "the biggest underweight since January 2008", the bank notes.

Yet the people who really need to take note of the Quicksilver report are not the savvy professionals that BoAML polls, but the retail investors who keep jumping into stocks. And, of course, those western central bankers who keep pumping up the equity markets, be it by accident or design. Perhaps a copy should be placed on Ms Yellen's desk.

*gillian.tett@ft.com*

## *Know-it-all smart toys are no substitute for child's play*

OPINION

Anjana Ahuja

One magical winter, my daughter was recruited as a Christmas toy tester. She took delivery of a snow-white poodle, which was able to recite its owner's name and insert it into pre-recorded sentences voiced by what sounded like a Disney princess. Within a week, Fluffy had morphed from cute to creepy. The endless repetition and impassive intonation made it sound like a prop from a horror film.

I fear the same fate awaits CogniToys, a range in development by a new York based company, Elemental Path. By the time a Kickstarter fundraising round closed on Wednesday, its first product — a green plastic speaking dinosaur with a button on its belly — had received five times the $50,000 funding requested.

Its unique selling point? Each dinosaur is linked to IBM's Watson supercomputer. Press its button to ask a question, and Watson will trawl the internet looking for a safe, age-appropriate answer. Parents need not fear awkward moments: an inquiry about whether God exists, or how babies are made, will earn the coy response: "Ask mommy."

But there is more. Just as the child learns from the toy, the toy will supposedly learn from the child and push her intellectually. The personality of one will, it is claimed, influence that of the other. As the child's questions become more probing, so the CogniToy's responses will mature. The scene is set, then, for a truly 21st-century picture of family life: parents and a child who is permanently and symbiotically welded to her Watson-enabled pal.

> A gadget linked to Watson may sound cool but is unlikely to turn your offspring into Sherlock

The know-it-all, grow-with-your-child dinosaur, armed remotely with fierce computing power, is the ultimate expression of a trend that is turning playtime into a deadly serious issue. It goes far beyond playing Mozart to junior in the womb: babies as young as six months are targeted with so-called smart toys, such as miniature laptops. Given the global competition for Ivy League universities and top jobs, parents feel compelled to start coaxing out their offspring's inner Einstein ever earlier.

Yet, according to most child psychologists, gadgets do not make children smarter; open-ended play does. This turns junior into an active participant rather than a passive recipient. Duplo blocks can be assembled in almost infinite permutations; crayons, paints, paper and clay encourage creativity; and puzzles and jigsaws give little minds a chance to practise pattern recognition and tiny fingers a chance to hone coordination. These toys endure: while Fluffy gathers dust, my sitting room carpet is a vista of Lego boats scavenged from bricks we have had for a decade.

This new gadget sounds like screen time without the screen. If a child has all his queries settled by a green dinosaur, where is the incentive to develop other modes of inquiry? What about engaging with playmates, parents or books? The thrill of an unsolved puzzle or a perplexing question spurs original thinking.

A study in Psychological Science showed children who played regularly with traditional toys such as blocks and board games tended to do better at science, maths and engineering. Handing over a gadget linked to Watson may sound cool but is unlikely to turn your child into Sherlock.

So perhaps parents should see the CogniToy more as a friend and confidante? That, too, is dispiriting: a child will learn much from both the muteness of an imaginary friend and the Machiavellian manoeuvring of a flesh-and-blood peer. Unless it is also rude, tantrum-prone, uncooperative, tired and occasionally hilariously unpredictable, the brain of a supercomputer offers a poor simulacrum of child friendship.

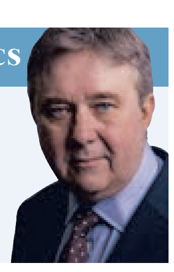
It will, though, appeal to time-pressed parents who believe intellect comes from consuming facts, and who do not mind their children developing the slightly awkward social skills sometimes observed in the geeks of Silicon Valley. It should sell like hot cakes.

*The writer is a science commentator*

## Cameron takes a holiday from the world


GLOBAL POLITICS

Philip Stephens



Shortly after David Cameron's arrival in Downing Street, an official observed that the UK prime minister showed slight interest in global affairs. In a phrase recalling the biting satire of the television sitcom *Yes Minister*, the aide continued that Mr Cameron was more inclined to see the world as "somewhere to go on holiday".

At the time I thought this a touch unfair. In the British system it is rare for incoming prime ministers to know, or care, much about foreign affairs. Five years later it is evident that the principal markers of Mr Cameron's foreign and defence policies have been drift and retreat. Some weeks ago he told his office to clear his diary of all "discretionary" travel. America's Barack Obama and Germany's Angela Merkel could be left to douse the fires raging in Ukraine and the Middle East. He had an election to fight. So his appearance at this week's Brussels summit was only a brief break from the campaign.

In retrospect, the signs were indeed there in the early days. The new government embarked on what was called a strategic defence review, promising to reshape the armed forces in the light of new threats and capabilities. The exercise was anything but strategic. The Treasury took control. Unsurprisingly given the size of the nation's fiscal deficit, the result was a series of deep and haphazard spending cuts.

Politically sensitive projects such as an order for two aircraft carriers and a commitment to renew the Trident nuclear deterrent survived the axe. Much else did not. The army is being cut by a fifth to 82,000 troops. Britain is now among a handful of island nations without any maritime surveillance aircraft. When Russian submarines prowl the waters near Trident's base, Britain must beg aerial assistance from allies. It struggled to find a few ageing Tornado bombers to join the fight against the Islamic State of Iraq and the Levant.

The aircraft carriers are due in service from 2020 but the Ministry of Defence has yet to work out what to do with them. The problem is money. A carrier group can be a powerful statement of military prowess but the carrier needs the protection of destroyers and frigates as well as aircraft to sit on the deck. A typical US carrier operates with about 72 fixed-wing aircraft. The British ships are promised 12. The shortage of escorts may limit ocean-going deployments to three months. If the carrier were to set off for, say, the Pacific it would have to turn around almost as soon as it arrived.

Mr Cameron has surrendered the security of the realm to the Treasury's bean counters. A prisoner of fiscal fundamentalism, the Treasury wants five more years of austerity if the Conservatives are re-elected. The prime minister has thus reneged on a pledge that the 2010 defence cuts would be followed by modest increases from 2015. He has refused to renew a commitment to hold spending to a Nato target of 2 per cent of national income. Instead he wants to fiddle the figures by including spending on intelligence in the Nato calculation.

A promise that the army will be spared further cuts has been emptied of meaning by the budgetary arithmetic. A report by the Royal United Services Institute, a respected think-tank, suggests that the army may soon be heading down towards 50,000, the smallest since Britain lost the American colonies during the 18th century. Little wonder the US administration thinks that Britain is becoming an unreliable partner.

> A nation that aspires to be a global hub cannot be indifferent to international disorder

Once or twice Mr Cameron has shown a taste for liberal interventionism — in Libya and in a thwarted attempt to back air strikes against the Syrian regime of Bashar al-Assad. He has had some tough things to say about Russia's invasion of Ukraine. These are exceptions to prove the rule. His typical response to the present era of tumultuous geopolitical upheaval is insouciant indifference.

Even before he promised a referendum that could see Britain quit the EU, Mr Cameron had stepped back from Europe. British policy had been always to keep a seat at the table, even when it chose not to join a particular enterprise. Now the government exults in leaving an empty chair. The prime minister says his preference is for Britain to remain in a "reformed" EU. He never answers the question as to why. As for the rising powers, China, India and the rest are viewed as markets or sources of investment rather than as potential allies or adversaries. The Foreign Office has been rebadged as a sales force for Britain PLC.

In some ways all this fits the temper of the times. Economic circumstances have been tough and the wars in Iraq and Afghanistan have damped public enthusiasm for expeditionary warfare. There is a mood abroad that says Britain has done its fair share.

But why then is Mr Cameron building aircraft carriers and nuclear-armed submarines? Explicable as it may be the temptation to retreat collides with two central facts of geopolitics. The first is that world is a more dangerous and unpredictable place than it has been since the end of the cold war — think, most obviously, of the spread of jihadi terrorism from west Africa to south Asia and, closer to home, of the efforts of Mr Putin to upend the peace in Europe.

Secondly, however much Mr Cameron hides under the bedcovers, Britain's security and prosperity are inextricably tied to events elsewhere in the world. A nation that aspires to be a global hub cannot be indifferent to international disorder. If nothing else, it must contribute towards making the world safe for the prime minister's holidays.

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## Britain can only walk tall if productivity is reignited

ECONOMICS

Martin Wolf

A fascinating feature of the looming UK election is that it is being fought over economic history. So George Osborne, chancellor of the exchequer, argued in his Budget speech: "The critical choice facing the country now is this — do we return to the chaos of the past?" Moreover, he insisted: "We set out a plan. That plan is working. Britain is walking tall again." The questions are: is the underlying analysis persuasive; and, if not, does it lead to a misleading perspective on challenges ahead? My answers are "no" and "yes".

The cause of the "chaos" the coalition inherited was the financial crisis. That crisis affected the entire western financial system. As London is one of the two most important global financial centres, and the UK was home to global financial institutions, the crisis hit the economy particularly hard. Furthermore, fiscal revenue from incomes generated by the sector were especially important. Beyond doubt, the main reason for Britain's vulnerability was its exposure to finance. The government of the day bears responsibility for that exposure. But overconfidence in finance was widely shared, including on the Conservative benches.

This is one respect in which it is misleading to view the main challenge as fiscal. It has also become clearer that the crisis both revealed and caused structural weaknesses that the government has neither recognised nor addressed. The opposition Labour party shows no sign of recognising the weaknesses either. What are they? Simply, the economy is "ex-growth" — underlying growth has stopped. Against that background, the aim enunciated by the chancellor "for Britain to become the most prosperous major economy in the world" is absurd. Here are three indicators of the extent to which the economy has gone ex-growth: real gross domestic product per head at the end of 2014 was much the same as at the end of 2006; real GDP per head at the end of 2014 was about 16 per cent below what it would have been if pre-crisis trends had continued; and GDP per hour was about 15 per cent below the pre-crisis trend. This productivity collapse is why employment has been so buoyant. But now that unemployment has fallen to 5.5 per cent, nearly all future growth depends on a productivity resurgence.

> The coalition government made three arguments for accelerated austerity. None was persuasive

What, given this background, is the case for the priority given to fiscal austerity by the coalition, apart from the fact that it allowed the government to blame the crisis on Labour profligacy? There are two arguments. The first is that, while the coalition could do little about the deepest problems, it could address the fiscal position. But this was not enough to make fiscal adjustment a priority. For that, one needs a second line of argument, which is that the fiscal deficit was (and is) a grave danger.

The argument for accelerated austerity was to boost confidence, avert a Greek-style debt crisis and permit loose monetary policy. None was persuasive. In practice, however, the coalition's bite was less bad than its bark. From 2012-13, the cyclically adjusted current deficit stopped contracting. I commend the coalition for this flexibility. Nevertheless, public sector net investment has halved as a share of GDP since 2008-09 — even though the government is able to borrow at sub-zero real rates of interest. The argument for this is that debt is to be avoided, however cheap. This makes no sense.

How one frames a problem determines how one feels obliged to address it. Whatever politics dictated, fiscal profligacy was not the chief cause of the crisis; nor was austerity the most important response to it. In the next parliament, the biggest challenge is to reignite productivity growth. Until that happens, Britain cannot walk tall. On the contrary, it is going to become ever shorter. It is on this that the offerings of the parties need to be judged.

As for fiscal policy, the speed with which the remaining deficit is eliminated is a second-order matter. With the cyclically adjusted current deficit estimated by the Office for Budget Responsibility at 2.5 per cent of GDP in this financial year, this is not the priority. Far more important is to decide how low spending can go, relative to GDP, while providing an acceptable safety net and the services on which people depend.

Unless something profound has shifted in UK politics, ratios of spending to GDP as low as those previously seen only in 1999-2000 and 1957-58 — the most austere years since the second world war — will be politically unsustainable. Yet that is what Mr Osborne promises for 2019-20. This is a mirage. If that is the case, tax rises must be considered — even more so if the decision is made to lower the public debt ratio quite quickly. Here, too, honesty is vital.

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BUSINESS LIFE

# A poster boy for dogged resilience

WORKING LIVES

Emma Jacobs

## Gyr King rebuilt his art prints business after a fire, but advances in technology require constant vigilance

Even the forklift trucks melted. When a fire ripped through Gyr King's warehouse one February night in 1989 it destroyed everything. Two million pounds worth of stock: gone. So too, his clothes and furniture, stored on the premises during a house move. Then he discovered the insurance company would not pay out as he had not informed it he was subletting the building. All that remained of the art prints business he had built up with his brothers, Peregrine (Perry) and Quentin: sludgey charred embers.

After his shock subsided, Mr King believed the experience could be "reaffirming": if he could get through this, he reasoned, his business could survive anything.

So he got through it. That he did is down to two important relationships, he reflects. The first with his bank manager; the same one who had given him a start-up loan despite having no collateral. He paid for Mr King to reprint everything. It was a time, Mr King reflects, when "banks believed in people . . . That bank manager was made redundant along with loads of them in the 90s and that whole [way] of banking's gone". The second was with Bruce McGaw, the founder of US publisher and printer, McGaw Graphics. He gave Mr King a load of stock for free. Later, the companies merged to become King & McGaw, its current name.

Today, 62-year-old Mr King, wearing jeans and a navy shirt with a white floral print, is overseeing the finishing touches on the large portfolios of prints for the Victoria & Albert show of the late fashion designer Alexander McQueen, as well as for the exhibition of the American expressionist painter, Richard Diebenkorn, which opened at the Royal Academy this week.

His company reproduces artists' work as posters, postcards and prints for museums and galleries. As European licensee for Andy Warhol and Jean-Michel Basquiat, among others, a great deal of time is spent liaising with their estates on the quality of reproduction and use of their images. The other

'You had to print 1,000 or 5,000 of an image and put it on the shelf, commit huge money to stock'

strand to the business is online retail, selling to consumers rather than businesses. The company employs 70 people. Last financial year it made an operating loss of £137,000 (on a turnover of £5.8m), compared with a profit of £126,000 the previous year. It attributes the reversal in fortune to investments in machinery and staffing.

Originally an economics student, Mr King's life changed when he saw an exhibition of sculptor Anthony Caro at the Hayward Gallery in 1969. It "hit me like a sledge hammer" and he realised he would be much happier if he switched to fine art. Which he did. Both his brothers had studied art and his parents had been, he recalls, "embarrassingly different" — his father, an artist and antiquarian, wore jeans and a neck scarf "at a time when nobody wore jeans and neck scarves". After working as a potter for two years, Mr King taught history of art and sculpture at Millfield, the Somerset boarding school. During that time, he taught Marc Quinn and Danny Chadwick, who went on to become well-known artists.

In 1982, he decided to take some of his artist brother's prints to a trade show in New York. "I [had] no knowledge whatsoever about what I was doing." He did not even have a credit card, paying cash for his plane ticket. The trip went well and he quit teaching to give the prints business a go, from the basement of the brothers' shared house. His brothers would design images and Mr King would find customers. Deep down, he concedes, he did not have the confidence to make a living as an artist.

Despite having little business experience, the bank manager loaned him £5,000. "It was a very different era."

Digital printing and consumers' increasingly eclectic tastes have transformed the art print world, says Mr King. We tour the shelves and shelves of old stock in his warehouse on an industrial estate in Newhaven, Sussex. In the days of silk screen printing, there used to be many more floor-to-ceiling racks. "You had to print 1,000 or 5,000 of a particular image and put it on a shelf. You'd have to commit a huge amount of money to stock."

After digital printers arrived at the turn of the century, the company could print to order, reducing waste. Tastes have also changed. "When we first started, you had a few best-sellers. Digitalisation has enabled people to have a great deal more choice, [they] are choosing a lot of different things, typography, contemporary artists." Some old favourites remain popular. "Warhol sales grow every year even though he was really at his height in the 60s."

**Prints master: Gyr King, co-founder of King & McGaw, surrounded by printed artwork** Charlie Bibby

This is a business that has had to change its model several times, pivoting when circumstances changed. When Amazon arrived in the 1990s, for example, Mr King realised the emerging importance of online retail. So, he bought a website. "When the dotcom crash happened we felt we might be wrong and it wouldn't happen. But of course it did."

The emergence of museums as slick retailers, due to the need to develop their own revenue streams rather than depend on government funding, has also presented opportunities. This is the work he is proudest of, he says: making art ownership accessible and bolstering museums and galleries.

The barriers to entry are much the same as when he started his business in the 1980s. On the one hand, it is cheaper to make prints with digital printers but licensees' expectations of production quality are much higher, he says.

He is nervous about 3D printing. "At the moment it's too expensive to do commercially for reproductions. But no question about it, they will get cheaper and cheaper and cheaper." He has not ruled out the possibility that in the future people will put flatscreens on their walls with images on them. "Technology is always going to redefine businesses but you can't really redefine your business until you're confronted with the situation . . . You can't close down what you're doing and speculatively pursue the next stage."

Cyber security is a big concern. The company has valuable digital archives and imagery but not on a networked computer. "It's a tight operation — we are custodians of very valuable things."

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# The charity that matches surplus medicines with acute need

## International Health Partners cuts waste from aid, writes Andrew Ward

Pharmaceuticals executives might not seem the most likely recipients of hospitality from HRH the Prince of Wales.

The heir to the British throne is well known for his advocacy of homeopathy. Yet, here they are, senior representatives from Pfizer, Johnson & Johnson and many of the world's other big drugmakers, sipping champagne in Prince Charles's Clarence House residence in London.

They are here to celebrate the 10th anniversary of a charity, backed by the prince, that distributes donated medicines to disaster zones. International Health Partners is not the first organisation to play this role. But its aim is to eliminate inefficiencies that have often undermined relief efforts in the past.

By acting as a brokerage that matches companies' surplus medicines with humanitarian needs, IHP is helping to bring corporate-style supply chain management to international aid.

"In an emergency situation, you don't want 100 different companies all asking the same questions," says Anthony Dunnett, who founded IHP after a career in banking and government. "You want people to be able to see exactly what is needed right away."

The problem IHP is trying to overcome was glaringly visible after the 2004 Indian Ocean tsunami. A multitude of companies and charities rushed to donate 4,000 tonnes of medicines to the region's devastated coastal communities. A year later, a report funded by the World Health Organisation found that half would need to be destroyed because they were out-of-date, inappropriate or simply not needed.

IHP has since tried to avoid this kind of wastage by developing software that allows drug companies to see which products are needed at any given time, based on the requests of aid agencies. The companies, in turn, can use the system to advertise medicines they have available for donation.

"This is not about dumping unwanted drugs," insists Mr Dunnet. "It's about matching need with supply and avoiding duplication. It's a way for companies to work collaboratively on big humanitarian challenges."

**Worth the pain: a child in the Philippines is given a measles vaccination**

While it sounds a simple concept, there are often tricky regulatory obstacles. Companies need assurances that their products will be used in the right way by the right patients in the right place. Donated drugs might leak into a local black market or even be smuggled back to the developed world where they can be sold at a high price.

Mr Dunnett says IHP has avoided this with strict monitoring and by picking its partners carefully. Out of 30m treatments distributed over the past decade, he says only 12 boxes have been lost.

IHP typically receives £15m-£20m worth of medicines each year. These have been directed to more than 100 countries since the charity's inception; war-torn Syria and the storm-hit Philippines have been among its recent priorities.

The charity's reach is set to be increased by a new collaboration called Eurmed involving similar organisations in Germany and Italy. The aim is to build Europe's medical aid capacity into a better match for bigger US relief organisations.

Not everyone in the global health community is a fan of IHP's model. Critics claim that drug donations allow big pharma to feel good about itself while doing nothing to improve long-term access to affordable medicines in the developing world.

Mr Dunnett acknowledges there will always be those who are suspicious of private sector involvement in humanitarian efforts. But he argues that IHP provides a pragmatic way for business to make a positive social contribution. The model could be applied beyond pharmaceuticals, he says, citing food and other consumables as areas where surplus goods could be put to good use.

Personal technology

# Internet TV services
## New cord cutters bring some sanity to US viewing

TIM BRADSHAW

**You might call it March madness. Three months into 2015 and already the way US viewers watch and pay for television — from *Game of Thrones* to this month's college basketball tournament — is changing in ways that would have sounded crazy a year ago.**

Today, US viewers pay about $125 a month for their cable television and broadband internet service contract. Now a new crop of internet television services want to displace the two-thirds of that cost that goes towards TV.

We are not talking about another Netflix or YouTube here. These are the same live channels and up-to-the-minute shows as broadcast on TV but without the cable contract. For $15 a month, there is HBO Now, the streaming service coming in April from the network behind some of the top shows on US TV, including *Game of Thrones* and *Girls*.

For $20 and up, there is Sling TV from Dish Networks, reviewed in this column on February 5, which brings live TV including ESPN sports. And this week PlayStation Vue, Sony's streaming service, above, is launching in New York, Chicago and Philadelphia, offering dozens of channels for $50 a month, including Fox, the aforementioned "March Madness" basketball and shows such as *The Walking Dead*, right.

Would-be cord cutters will have been encouraged by news this week that Apple is working on a similar streaming service for launch in the coming months (pricing and content bundle yet to be determined).

With big technology companies such as Sony and Apple focused on disrupting the way we watch TV, what begins in the US is likely to spread abroad soon.

However, these services do not make cutting the cord quite as insanely cheap as may at first appear. You must still pay upwards of $50 for a fast broadband connection. For a bigger archive of older shows and movies, you will probably want to pay $9 for Netflix and perhaps $8 on Hulu or a couple of iTunes rentals.

A big sports fan might want ESPN and Fox Sports, which means paying for Sling TV and PlayStation Vue. In short, the future of television is here but its channels are not evenly distributed. By the time you have added $15 for HBO, you could wind up paying almost as much as a traditional cable package.

But there are no annual contracts, installation costs, equipment rental or other hidden fees that drive many Americans mad. Another complaint with cable is finding what to watch among hundreds of channels. With alternatives such as Sling or Vue, less is more. Reducing the clutter in the TV guide makes it easier for these new providers to change the way we discover and watch their shows. PlayStation Vue's intuitive interface revolves around TV shows and genres, all surfed and chosen with the PlayStation games controller.

In my short tests, looking for something to watch on PlayStation Vue was much easier on the eye. One menu shows what is up next, another makes recommendations based on what is on the screen, past viewing or what is popular with other PlayStation users.

The personalised My Shows menu displays upcoming broadcasts of favourites and recordings, stored in the cloud, which are automatically set for any programme that is bookmarked. This "cloud DVR" may justify the higher price tag for many.

While Vue is initially available only on PlayStation 3 and 4 consoles, an iPad version is also in the works, leaving open the possibility that it might end up as an app on Apple TV.

Apple recently cut the price of its TV set-top box, above, from $99 to $69. That looks like an attempt to clear inventory ahead of a revamped device that might launch alongside Apple's own subscription streaming service, later this year.

If the real value of such offerings is in the user interface, rather than the price or the content made available, Apple has a strong reputation here that might persuade many more to cut the cord.

But after years of false starts, waiting for Apple to transform TV has driven more than a few customers to distraction. Meanwhile, PlayStation owners would be crazy not to check out the fullest vision yet for the future of TV.

Planet of the apps

### What it is

Hopper — Airfare Predictions, free for iPhone

### Why you should try it

Until it was acquired and shut down by Microsoft, Farecast was a useful website for predicting fluctuations in the cost of an airline ticket. That idea is resurrected by Hopper, an iPhone app that helps pick the best time to buy a flight. The company claims that travellers could get a better deal two-thirds of the time by waiting for prices to fall.

Enter your destination and the app will send you a push notification when prices look like they might be about to go up or down, based on its database of billions of previous flights.

You can also subscribe to email alerts for your nearest airport through hopper.com.

ARTS

# Horrific collision of popcorn and politics

Grizzled: Sean Penn in 'The Gunman'. Below right: Bosco the speaking dog in 'The Voices'

FILM

Nigel Andrews

**The Gunman (15)**
Pierre Morel
☆☆☆☆☆

**Mommy (15)**
Xavier Dolan
★★★☆☆

**The Tale of the Princess Kaguya (U)**
Isao Takahata
★★★★☆

**The Voices (15)**
Marjane Satrapi
★★★★☆

When someone writes an illustrated guide to the 100 Top Bad Films of All Time it may well include, with an accompanying picture of Sean Penn, **The Gunman.** Penn co-wrote, co-produced and stars in this barely credible car crash of a geopolitical thriller, setting new standards for the collision of mayhem, message-mongering and mega-budget casting.

As an instructive omni-shambles, it should probably be taught in "how not to" classes in every film school. *The Gunman* purports to enlighten us about foreign business corruption — the seedy spread of global greed — in central Africa. Multinational actors ham it up in a densely apocalyptic plot involving mines (in Democratic Republic of Congo), assassinated ministers (Kinshasa) and dodgy NGOs. For a what-the-hell climax there is a bullring murder showdown in Catalonia.

The movie means well; Sean Penn in campaigning mode always does. But the preachy ends are striven for by a popcorn-populist means simultaneously so patronising and inept that you wonder how the star/auteur, during production, dared to look in a shaving mirror each morning.

The sight that greeted him would be the one that tests the audience. Grizzled, goateed, bushy-haired, Penn wears a kilo, or close, of bronzing lotion. He carries the white man's burden in colours a shade darker than several Congolese. His character is a former hired assassin. Eight years after the statesman-shooting prologue, he turns whistleblower to expose and pursue the mob he worked for. (Of course there's an even bigger conspiracy behind them.) The nasties are led by fat cat Javier Bardem, acting the roof off until early termination, and thinner, leaner-minded cat Mark Rylance, limbering up, a little lugubriously, for *Wolf Hall*.

Ray Winstone storms through in a small part, effing and blinding. There's a love interest of no interest at all (unless morbidly curious filmgoers count the shots of Penn in the buff). And to raise the cornball survival stakes a rare brain disease, the hero's, is pushed to the fore of the plot.

The press show audience, needing relief or release, "broke up" in different fashions twice. The first time was when a character says to the hero, in a mirth-inducing paroxysm of understatement, "You look worried, Jim, what is it?" The second break-up was the final adjournment: our return to a real world, now barely recognisable if wistfully remembered.

Xavier Dolan's films are like hectic deathbed notes from a French-Canadian filmmaker still only 26. Florid, inventive, showboating, they are full of a self-pity sometimes ironised, sometimes not. His new film **Mommy** won the Jury Prize at Cannes (shared with that other diehard francophone maverick Jean-Luc Godard). It bookends a career to date that began at age 19 with the Oedipally themed *I Killed My Mother*.

Here is another account of how to grow up with Mom and live to tell the tale. In the first film Dolan played the misfit teen, but after acting his age in the recent *Tom at the Farm* (Hitchcock plus homophilia) he can't re-do crazy adolescence. So ADHD sufferer Steve is played, as a blond hellraiser with deceptive intermittent calms, by Antoine-Olivier Pilon. Released from custody in a fictively imagined Montreal where parents lock away troubled kids, he resettles with Mom (Anne Dorval), only for her to call time on their screaming matches by enlisting neighbour Kyla (Suzanne Clément) as helper/teacher.

Kyla is the quiet corner of the triangle. Calming words; tranquil cigarette smokes (except when Mom complains and sprays air-freshener); and in crises a mild stammer. The plot is a blueprint for claustrophobia and we get lots of that, even in the screen ratio. The 1:1 images, Instagram-square, are extended in one moment — the movie's best — when skateboarding Steve outstretches his arms as if to widen, and briefly it does, the screen.

The film itself resembles a marathon skateboard trip: down some corridor of the author's mental discotheque, flashing with coloured lights, loud with music, flanked by doors briefly opening and shutting, as if to show there's a wider world going on somewhere, unseen. Ours to witness and admire just the whir of motion, the fly-by passions, the eternal, instructive hysteria of family life.

Is there great Japanese animation after Hayao Miyazaki? Was there before him or contemporaneously with him? His closest peer and rival Isao Takahata, whose screen stories hew close to traditional native folklore, is little known outside Japan. Here, now, comes **The Tale of the Princess Kaguya.** See and judge. Is it up there with *Princess Mononoke*?

It's imposing, whatever your verdict. It's often inspiring. Takahata's drawings are light, sketch-like and sometimes unfinished-looking. As the densely plotted tale unfurls — about a tree-born princess wooed for her beauty and ensorcelling powers — the fleet and simple imaging becomes a bonus. So does the humour. There's an uproarious sequence of suitors, their comic pace set by a pompous princeling who narrates, at Greek messenger length and with barnstorming voice and hammed-up gestures, his capture of a supposed priceless treasure.

Best of the rest are the scenes where Takahata's pictorial shorthand creates storms in paint-pots. Dabbed-on or dashed-on watercolours in thrilling fracas with animating outlines or pencil strokes. A wind squall among bamboo trees. A thunderous sky bursting into diagonal rain. A dream sequence in which the princess flees home, to her foster parents' rural cottage, in a head-long visual haiku of billowing robes and wildly changing landscapes.

In **The Voices** Ryan Reynolds competes with a speaking dog and cat. It's not a cartoon or kid flick. It's a murder film-cum-black comedy. Marjane Satrapi, French-Iranian creator of *Persepolis*, that bravura anime that blew poison darts at patriarchy and oppression in her homeland, has picked a weird career departure.

Setting: small US factory town (actually shot in Berlin). Protagonist: mentally disturbed worker who kills girl workmates at the urging of a psychotic Scottish-accented moggie. (This foulmouthed feline, grimly hilarious, may be the best demon cat since *The Master and Margarita*.)

The hero's dog counter-argues for peace and love in a woofly southern drawl. Reynolds did both voices as well as lending his human role a wounded grace and intensity. The film veers now and then towards banality: a few longueurs, more than a few loose ends. But the performances are terrific (Gemma Arterton, Anna Kendrick co-starring) and for surreal, gob-smacking, transcendental impudence the ending is up there with *Beau Travail*.

## THIS EVENING'S TELEVISION

### Pick of the day

"Anthro-musicologist" Martin Jarvis has attracted criticism for claiming much music was **Written by Mrs Bach** (BBC4 8pm). This film, presented by Sally Beamish carrying a standard for women composers, deploys modern forensics to study manuscripts of Johann Sebastian's music to prove that his second wife was not merely copyist but creator. History and sociology make a decent case for the accomplished young singer who gave up her successful career and died surviving on municipal charity. The Bach Archive's refusal of access to the programme's researchers and veto on staff interviews is intriguing.

The underrated **God Bless America** (Film4 10.50pm) contains wonderfully black satire on the value of celebrity and the gods of fame, greed and selfishness. A worm turns and starts a killing spree. Dark, funny, serious. — MARTIN HOYLE

### BBC 1

6.00 **BBC News.**
6.30 **BBC Regional News Programmes.**
7.00 **The One Show.** Chris Evans and Alex Jones round off the week.
7.30 **A Question of Sport: 6 Nations Special.** R
8.00 **EastEnders.**
8.30 **MasterChef.**
9.00 **The Musketeers.** The Queen is accused of treason, so the Musketeers steal her away from the palace to safety.
10.00 **BBC News.**
10.25 **BBC Regional News and Weather.**
10.35 **The Graham Norton Show.** Highlights from the recent run, featuring chat with Meryl Streep, Will Smith, David Beckham, Jennifer Aniston, Benedict Cumberbatch and Judi Dench. Last in the series.
11.25 **Would I Lie to You?** R
11.55 **EastEnders.** R

### BBC 2

6.00 **Two Tribes.** Quiz.
6.30 **Eggheads.** Quiz.
7.00 **Britain's Got the Builders In.** A Shropshire woman faces a cash flow problem when construction of her new home progresses faster than anticipated.
8.00 **Mastermind.**
8.30 **Gardeners' World.**
9.00 **Stargazing Live.** Professor Brian Cox and Dara O Briain have images from this morning's solar eclipse. Last in the series.
10.00 **Stargazing Live: Back to Earth.** Professor Brian Cox, Dara O Briain round off their stay at Jodrell Bank. Last in the series.
10.30 **Newsnight.**
11.00 **Artsnight.** Satirist Armando Iannucci takes over editorial control.
11.30 **Weather.**
11.35 FILM **Passchendaele.** Drama, starring Paul Gross and Caroline Dhavernas.

### ITV London

6.00 **ITV News London.**
6.30 **ITV News and Weather.**
7.00 **Emmerdale.**
7.30 **Coronation Street.**
8.00 **Barging Round Britain with John Sergeant.** The broadcaster navigates the Kennet and Avon Canal from Bath towards London, trying his hand at making beer barrels and stoking steam engines.
8.30 **Coronation Street.**
9.00 **Bear Grylls: Mission Survive.** The four remaining celebrities forage for food in the forest and face their most extreme challenge yet.
10.00 **ITV News at Ten and Weather.**
10.30 **ITV News London.**
10.40 FILM **State of Play.** Thriller, starring Russell Crowe, Ben Affleck and Helen Mirren.

**Regional variations apply**

### Channel 4

6.00 **The Simpsons.** R
6.30 **Hollyoaks.**
7.00 **Channel 4 News.**
8.00 **The Million Pound Drop.** The Broadfoot family from Newcastle conclude their game, with a huge amount of money still in play, and only one question to answer. Davina McCall hosts. Last in the series.
9.00 **Gogglebox.** Narrated by Caroline Aherne.
10.00 **Alan Carr: Chatty Man.** New series. The host is joined by the coaches from *The Voice UK*, Hollywood star Antonio Banderas, magician Troy, and *Gogglebox*'s Steph and Dom. Plus, music by Ella Henderson.
11.05 **Troy.** The magician amazes players at a table-tennis club, gives an unsuspecting couple a mind-bending experience at a 3D film and stuns spectators at a go-karting track.

### Other channels

**BBC3**
7.00 Doctor Who: The Ultimate Guide. 7.10 Doctor Who. 7.55 Race to Witch Mountain. 9.30, 10.00 Live at the Apollo. 10.30 EastEnders. 11.00, 11.25 Family Guy. 11.45 American Dad!

**BBC4**
7.00 World News Today. 7.30 Sounds of the Sixties. 8.00 Written by Mrs Bach. 9.00 Top of the Pops: The Story of 1980. 10.00 Dexys: Nowhere Is Home. 11.30 Kings of Soul.

**Channel 5**
6.00 Home and Away. 6.30 5 News Tonight. 7.00 The Gadget Show. 8.00 World's Scariest Animal Attacks. 9.00 NCIS: New Orleans. 10.00 NCIS. 11.00 Law & Order: Special Victims Unit. 11.55 Access.

**More4**
7.00 Ramsay's Kitchen Nightmares USA. 7.55 Grand Designs. 9.00 The Client. 11.25 8 Out of 10 Cats Does Countdown.

**Film4**
6.25 The Way Back. 9.00 Bad Teacher. 10.50 God Bless America.

**Sky Atlantic**
6.00 House. 7.00 Blue Bloods. 8.00 Without a Trace. 9.00 Penny Dreadful. 10.10, 11.30 Game of Thrones.

**Sky Sports 1**
6.00 Barclays Premier League Legends. 6.30 The Fantasy Football Club. 7.30 FL72 Live. 10.00 The Fantasy Football Club. 11.00 Barclays Premier League Preview. 11.30 Champions League Weekly.

**Sky 1**
6.00 Futurama. 6.30, 7.00, 7.30 The Simpsons. 8.00 Flintoff: Lord of the Fries. 9.00 Stella. 10.00 Quiz Nights. 11.00 Wild Things.

**Sky Arts 1**
6.30 Gary Moore: One Night in Dublin. 8.00 Discovering: Gene Kelly. 9.00 30 Degrees in February. 10.15 Classic Albums. 11.15 Meat Loaf: A Guilty Pleasure Tour Concert.

**Sky Arts 2**
6.35 Classical Destinations. 6.45 Masterpieces: The Arch of Enlightenment. 8.00 Mats Ek's Juliet & Romeo. 10.00 Celtic Woman: Songs from the Heart. 11.55 Entity.

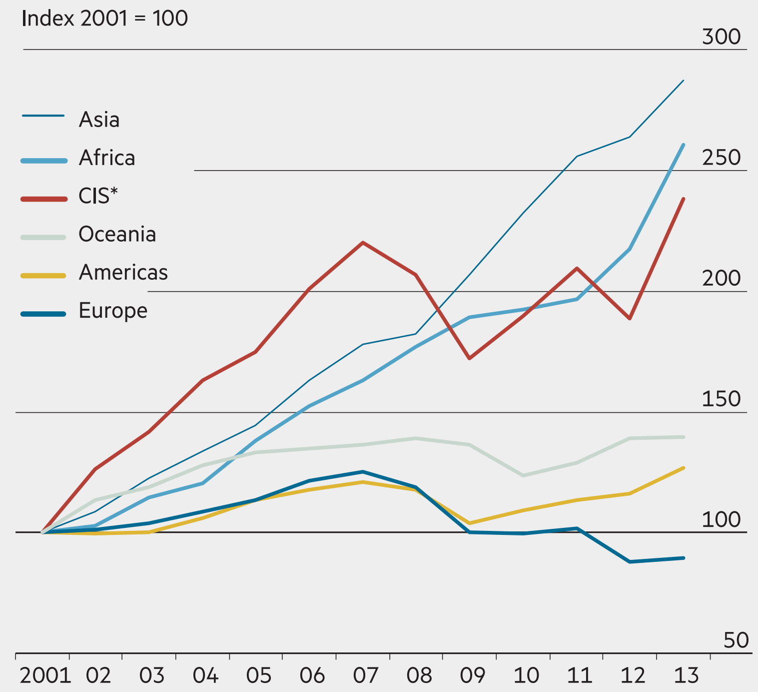
# Lex.

Twitter: @FTLex Email: lex@ft.com

## Cement to be like this?

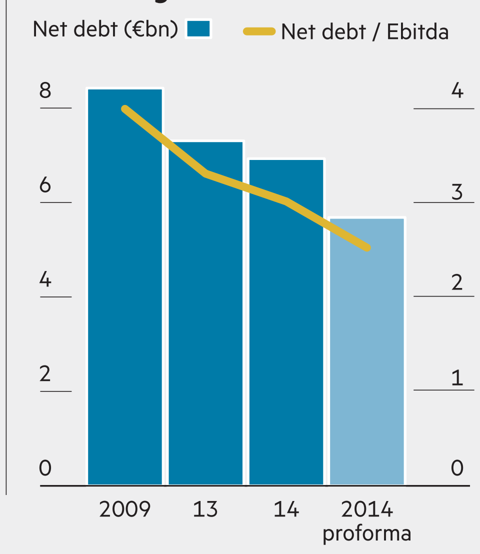
World cement production by region

Index 2001 = 100




Cement production in most developing markets has been robust, if underwhelming in Europe. HeidelbergCement, which generates about 90 per cent of its ebitda in net oil importing nations, hopes a lower oil price will boost infrastructure spending

HeidelbergCement




FT graphic. Sources: HeidelbergCement; CEMBUREAU * Commonwealth of Independent States

There is no such thing as too much. That could well pass as the European cement industry's motto, beset as it is by woeful overcapacity. Yet even as Holcim and Lafarge wrangle over a tie-up in the name of efficiency, well-trailed results at HeidelbergCement, with no such distractions, point to a company achieving it on its own.

The German producer managed a 4 per cent increase in revenue to €12.6bn last year — versus declines from Holcim and Lafarge — while its operating income rose 5 per cent. True, net profit fell by more than a quarter to €687m on one-offs, but then its 2013 figure was swollen by one-offs. Even so, Heidelberg says it is in its best shape in 15 years.

It was not always so rosy. Hobbled by its debt-funded £9.5bn top-of-market acquisition of UK aggregates group Hanson in 2007, net debt peaked at €14.6bn — or 6 times earnings before interest, tax, depreciation and amortisation. But Heidelberg has almost tamed its debt problem. Include last year's 5 per cent fall in net debt to €6.9bn — on a near fourfold increase in free cash flow — and Heidelberg has shed nearly €9bn of debt since 2007. Throw in €1.2bn from the sale of its building products arm and net debt falls to a mellow 2.5 times ebitda.

Heidelberg is achieving steady volume growth in most markets, even Europe. (Sadly it is not in China, which has used more cement in the past three years than the US used in the entire 20th century, according to US Geological Survey data). It has the potential to keep healing itself. A falling oil price will help: diesel is a third of its cost base, and nearly 90 per cent of ebitda flows from net oil importing nations. So will Mario Draghi: each 10 per cent fall in the euro boosts ebitda by 9 per cent. And its interest bill is falling. The German group expects double-digit increases in revenue and operating income, and to earn its pre-tax cost of capital, which it pegs at an only slightly hard to believe 6.9 per cent.

Brave talk. But in the cement business, where there are no long-term order books, history is the better guide. Heidelberg is on track. With friends like Holcim and Lafarge, who needs mergers?

## Deutsche Bank: back to the future

Adelbert Delbrück had the right idea. When the founder of Deutsche Bank set up shop in 1870, the plan was to focus on international commerce. As his successors Anshu Jain and Jürgen Fitschen conduct their strategy review (the results of which are due in the second quarter) they should look to him for inspiration. The current universal banking strategy is failing. In the past three years the bank has produced returns on equity of 0.5 per cent, 1.2 per cent and 2.7 per cent. The shares trade at a measly 0.6 times book value. Another piecemeal restructuring plan will not be enough.

So why not go back to Deutsche's roots, and ditch retail entirely? Specialist banks tend to attract higher ratings than generalists, and produce better returns. Goldman Sachs, the only sizeable pure play investment bank, produced a return on equity of 10 per cent last year and trades at 1.1 times book value. Unlike other universal banks, the retail business is the problem at Deutsche. German retail banking is unattractive — a competitive market serving a population that borrows little. Deutsche's retail bank uses €14.4bn of equity and produces a mid-single digits ROE. Shorn of that, Deutsche Bank would be left with its investment bank, commercial bank and wealth manager.

The big objection to this plan — other than the need to make an investment case for a standalone German retail bank — is funding. If retail goes, so does a big chunk of Deutsche's €540bn of deposits. Even Mr Delbrück appreciated the need for a local deposit base. From 2019, banks will have to have a net stable funding ratio of 100 per cent, meaning that long-term stable assets will all have to be backed by long-term stable liabilities (rather than short-term funding). Analysts at Jefferies, fans of the idea that Deutsche should split, estimate that the bank had an NSFR of 91 per cent at the end of 2013, but that the figure could fall to 75 per cent if retail were spun off. Getting the remaining bank to a 100 per cent ratio might require a drop of €100bn of assets, Jefferies estimates.

So the remaining investment bank might have to shrink its balance sheet a little. But that is no great shame. A European bank with an incentive to push corporate borrowers towards capital markets rather than bank balance sheets might even enjoy some political support. These days, that is a very rare commodity.

## Next: special sauce

And now let us praise the special dividend, that rare and under-appreciated animal. Its theoretical underpinning goes like this: if a company has money and does not have a great use for it, then it should send that cash to investors. A little simple-minded, admittedly, but solid.

The counter argument is that investors, especially income investors, like predictability. So paying a regular dividend maximises the value of the stock by making it less risky. Next, the UK clothes retailer, proves this point wrong. It paid £223m in special dividends in the year reported yesterday. That is a 2 per cent (one time) yield at the current share price, on top of 2.6 per cent ordinary dividend yield. Despite so much of the income coming in an irregular form, Next's shares trade at a plump and content valuation of 18 times expected earnings, near 10-year highs.

The opposition is not finished yet. They will argue that there is another avenue for the periodic return of cash that is piling up idly — buying back shares. And buybacks defer investors' tax liabilities. The special dividend has other advantages, though. Only some shareholders (sellers) receive cash in a buyback. And buybacks tend to be terribly pro-cyclical. Companies buy in more of their shares as they become more expensive. Next, which has nothing in particular against buying its own shares, guards against this. It sets a minimum threshold — 8 per cent — for the impact that a buyback must have on earnings in order to buy back shares. This limits the price at which it is willing to buy back shares. This is an admirable discipline, because it puts management in the position of implying, however obliquely, that their stock looks a bit rich (Next shares now trade a little above the limit).

Disciplined capital allocation is not a panacea. It does not, for example, sell clothes or anything else. But it protects investors while management tries to get the product right. And special dividends have a role to play.

## Comcast/TWC: school in session

American high school students suffer "senioritis" in the spring — ignoring studies after university applications have been filed and graduation approaches. It is a dangerous illness. Colleges have been known to rescind the admission in the worst cases.

Companies about to be acquired can make the same mistake. A year ago, Time Warner Cable agreed to be bought by Comcast. The regulatory review was supposed to be tough, but conventional wisdom held that the deal would squeak through. But now the betting leans the other way and so TWC may have to go it alone.

Both companies say the right things on seeing the process through. But the chance of a dead deal (Comcast can terminate the deal at no penalty) can be quantified with stock prices. The "deal spread," the gap between where TWC shares trade and what deal value is (based on share exchange ratio), has soared as high as 13 per cent. A trickier calculation — based on theoretical TWC standalone price and the deal price — has put the chance of the deal closing below 50 per cent for months.

This pessimism makes sense. The enactment of strict net neutrality rules may hurt the pricing power that Comcast would hold if the deal was allowed. But the market concentration it would create in broadband — up to 60 per cent of the US market — still worries regulators.

The deal spread and probability of closing have moved inversely as TWC shares have rallied 15 per cent since late January. Perversely, those gains may come not from confidence in the deal, but comfort with TWC going it alone.

Its fourth-quarter results showed some promise that it can survive on its own. Residential video-subscriber losses narrowed to 38,000 after losses of about 200,000 the previous year.

Those steep declines had driven it to pursue a transaction in late 2013 and early 2014 where another management team could better run its assets. Perhaps the present team is fine. It can pay to stick to the books.

## Microsoft: just browsing, thanks

It is not easy being Microsoft. The price of its Windows operating system, the foundation of its empire, is falling for personal computers. At the same time the market for PCs, on which Windows is installed, stagnates. Microsoft analysts have been busy cutting revenue targets.

What might happen if this continues — if the price of a Windows operating system on a personal computer drops to zero? It is currently roughly $35, Stifel estimates, but is heading that way. Chinese users with pirated versions of Windows 7 or Windows 8 will get free Windows 10 upgrades this summer, Microsoft announced this week. There are hundreds of millions of Windows users in China; three-quarters of them use pirated versions.

The amnesty points to a broader challenge: more and more operating systems are free. Google gives its PC operating system away — fuelling cheap Chromebooks that have sold like hot cakes. Apple's operating systems are baked into the price of the device. The $40-a-pop operating system for consumer PCs is never coming back.

In its place, Microsoft's revenues will gradually rely more on the services and applications that run on top of Windows. These include things such as Skype, Office, and OneDrive on the consumer side; and cloud computing and commercial Office subscriptions on the enterprise side. This is not such a dim prospect. Azure, Microsoft's cloud computing platform, signs up more than 10,000 new customers per week, and its revenue growth is in the triple digits. Hardware sales have also been strong. And corporate support agreements will continue to bolster Microsoft's enterprise revenues.

In the near term though, Microsoft's sales will be under pressure from the transition. Two years ago, the last time Microsoft did investors the favour of providing a clean Windows sales number, Windows represented over a fifth of sales. Given that the shares have risen 50 per cent in the past two years, some air may come out of the stock.

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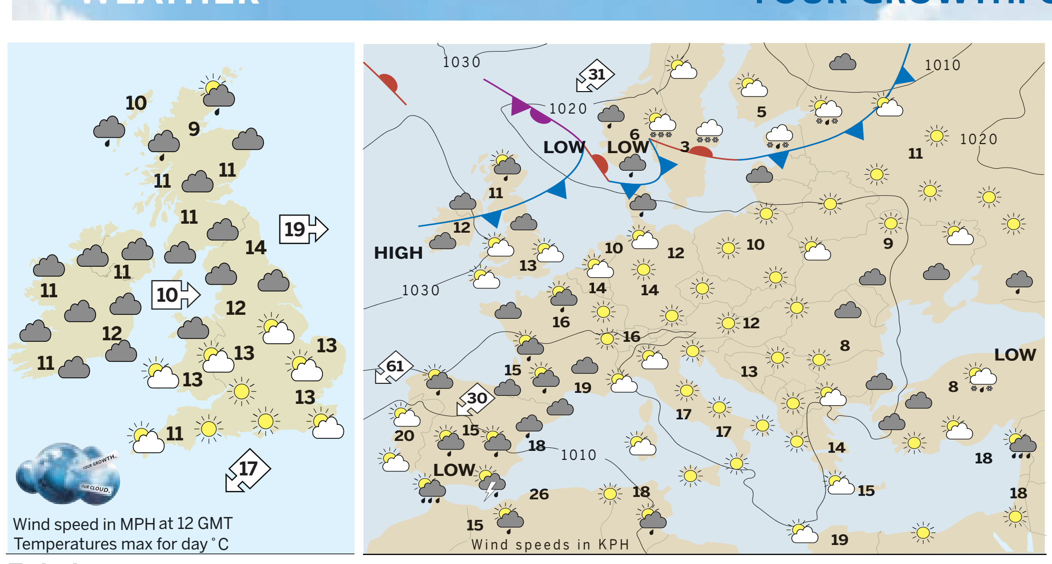
## WEATHER






Forecasts by MeteoGroup

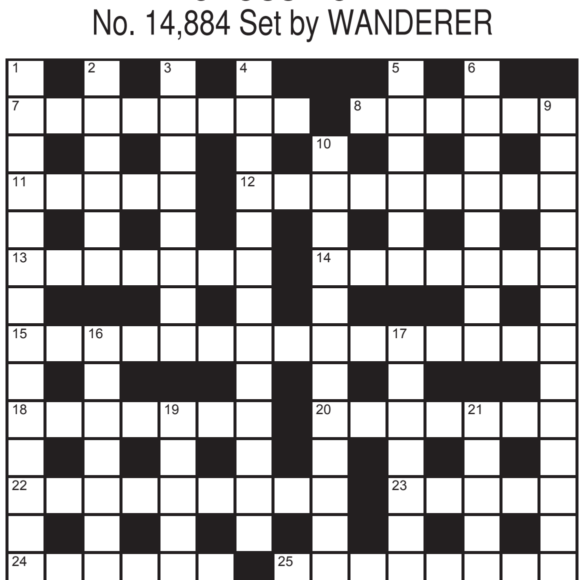
Today's temperatures Maximum for day °C & °F Warm front Cold front Occluded front

| | | | |
|---|---|---|---|
| Abu Dhabi | Fair | 36 | 97 |
| Amsterdam | Fair | 10 | 50 |
| Athens | Fair | 14 | 57 |
| B'ham | Fair | 13 | 55 |
| Bangkok | Sun | 37 | 99 |
| Barcelona | Cloudy | 17 | 63 |
| Beijing | Sun | 19 | 66 |
| Belfast | Cloudy | 11 | 52 |
| Belgrade | Sun | 11 | 52 |
| Berlin | Fair | 12 | 54 |
| Brussels | Sun | 13 | 55 |
| Budapest | Sun | 12 | 54 |
| Buenos Aires | Sun | 32 | 90 |
| Cardiff | Sun | 13 | 55 |
| Chicago | Fair | 13 | 55 |
| Cologne | Sun | 14 | 57 |
| Copenhagen | Drizzle | 8 | 46 |
| Delhi | Sun | 30 | 86 |
| Dubai | Sun | 34 | 93 |
| Dublin | Cloudy | 12 | 54 |
| Edinburgh | Cloudy | 11 | 52 |
| Frankfurt | Sun | 16 | 61 |
| Geneva | Sun | 17 | 63 |
| Glasgow | Cloudy | 11 | 52 |
| Hamburg | Fair | 10 | 50 |
| Helsinki | Cloudy | 5 | 41 |
| Hong Kong | Fair | 28 | 82 |
| Istanbul | Cloudy | 7 | 45 |
| Jersey | Cloudy | 8 | 46 |
| Lisbon | Fair | 20 | 68 |
| London | Sun | 13 | 55 |
| Los Angeles | Sun | 23 | 73 |
| Luxembourg | Sun | 14 | 57 |
| Lyon | Fair | 18 | 64 |
| Madrid | Shower | 15 | 59 |
| Manchester | Cloudy | 11 | 52 |
| Miami | Sun | 30 | 86 |
| Milan | Fair | 16 | 61 |
| Montreal | Cloudy | 5 | 41 |
| Moscow | Fair | 10 | 50 |
| Mumbai | Sun | 34 | 93 |
| Munich | Sun | 14 | 57 |
| New York | Snow | 2 | 36 |
| Nice | Fair | 17 | 63 |
| Paris | Fair | 16 | 61 |
| Prague | Sun | 11 | 52 |
| Reykjavik | Fair | 6 | 43 |
| Rio | Fair | 30 | 86 |
| Rome | Sun | 17 | 63 |
| San Francisco | Sun | 18 | 64 |
| Stockholm | Snow | 4 | 39 |
| Strasbourg | Sun | 17 | 63 |
| Sydney | Fair | 26 | 79 |
| Tokyo | Fair | 15 | 59 |
| Toronto | Rain | 6 | 43 |
| Vancouver | Rain | 13 | 55 |
| Vienna | Sun | 11 | 52 |
| Warsaw | Sun | 10 | 50 |
| Washington | Rain | 6 | 43 |
| Zurich | Sun | 16 | 61 |



## CROSSWORD

No. 14,884 Set by WANDERER



JOTTER PAD

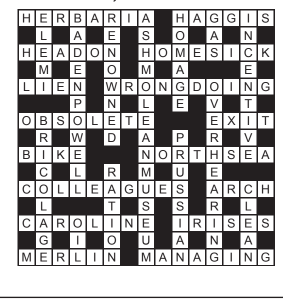
**ACROSS**

7 Doctor injecting poet with drug (8)
8 Plan made by Home Guard (6)
11 Saudi Arabia lost 5-0 due to sudden burst of shooting (5)
12 Left Italy, seduced by navigator's charms (9)
13 Very busy month, eg October to an extent (2,3,2)
14 One farming a small area is frequently in credit, after 50% taken off starting rent (7)
15 The CID inter a leftie criminal (8,7)
18 Golden labrador's head, to right of the external ear (7)
20 Predictor of future Hungary to Japan switch for aeroplane (7)
22 One that drives out from Gold Coast's first to wear sexier pants (9)
23 It's not against the law to run away (5)
24 Fourth-year student back home in south-eastern Oregon (6)
25 State of Wisconsin's just left of centre (8)

**DOWN**

1 Part of bedroom set from Knickerbox (5,2,7)
2 Unfashionable hire shop? (6)
3 Short tune by one playing instrument (8)
4 Compass point briefly shown by the needle (4,9)
5 International organisation initially comes up short, needing enhanced overseas supply (6)
6 Punctilious poet's raised foot above head in photo (8)
9 Eat indoors? Tin is opened drunkedly, showing confusion regarding directions (14)
10 Awfully cold April – start of Ice Age? (7,6)
16 Giving up strong drink, drinks nothing during endless orgy (8)
17 Lead must be taken off dog when inside as well, it's so long (6-2)
19 During broadcast, see you cook game bird (6)
21 Setter goes on vacation, getting to talk about puzzle (6)

**SOLUTION 14,883**



# Companies & Markets

FINANCIAL TIMES


City Insider How best one's taxes should be spent

HARRIET AGNEW, PAGE 24

| Deutsche Bank | Ted Baker | Microsoft | Euro / dollar | Brent oil | Two-year US Treasury | Norwegian krone / euro | FTSE 100 |
|---|---|---|---|---|---|---|---|
| 1.21% | 2.52% | 0.51% | 2.1% | 3% | 5bp | 2.9% | 0.3% |
| €31.02 | £27.46 | $42.29 | $1.0632 | $54.23 | 0.61% | NKr8.614 | 6,962.32 |

# Insider trader Rifat aids US probe

● 'Important person' to be charged after DoJ deal ● 'Face of Moore Capital' jailed

CAROLINE BINHAM — FINANCIAL REGULATION CORRESPONDENT

A convicted insider trader, described by prosecutors as "the face of Moore Capital" in London, has co-operated with a separate US criminal probe that will see a "particularly important individual" appear before US courts within a matter of days, a London court has heard.

Julian Rifat, who was sentenced to 19 months in prison yesterday after pleading guilty to a £285,000 insider-trading scam, co-operated with a Department of Justice probe last year and signed an agreement with the US authorities as part of the investigation, Southwark Crown Court heard during his sentencing. No other details of the DoJ's probe were revealed.

The DoJ declined to comment.

Rifat was a senior execution trader at US hedge fund Moore Capital and headed risk management. He earned more than £700,000 a year, and has been paid about £1.4m in severance pay since his arrest almost exactly five years ago as part of the biggest insider-trading investigation.

"He was the face of Moore Capital," Mark Ellison QC for the UK Financial Conduct Authority told the court. "He was the person in London whom senior bankers would contact on wall-crossing issues." Wall-crossing is when participants share information ahead of a deal.

Rifat pleaded guilty in November over a scheme that paid for a £15,000 luxury holiday to Oman and a new Range Rover.

He passed information on forthcoming deals — gleaned through his work at Moore — to his friend Graeme Shelley, who used to be a broker at Novum Securities.

Shelley would then trade in the companies' shares using spread bets and would split any profit with Rifat.

Shelley received a two-year suspended sentence after striking a deal with the FCA and also pleading guilty.

Paul Milsom, a former equities trader at the investment arm of Legal & General, also passed information to Shelley.

> Rifat pleaded guilty over a scheme that paid for a £15,000 holiday to Oman and a Range Rover

He pleaded guilty to insider trading and received a two-year prison sentence in 2013. Rifat pleaded guilty to a single-count indictment detailing eight instances of insider dealing between June and November 2009.

Rifat will also have to pay a fine of £100,000, as well as a contribution of £159,400 towards the cost of prosecuting his case. His sentence was reduced due to family circumstances.

His barrister, Rex Tedd QC, said in mitigating arguments: "The measure of how much he was earning is a measure of how much he has thrown away by this dishonest conduct."

**FCA investigation** page 22

**Lombard** page 24

## Into overdrive

## Tesla chief takes spiel off autopilot

Elon Musk, the Tesla Motors chief known for his expansive claims for technology, appeared to promise a leap forward in autonomous driving for his company's vehicles yesterday — before modifying his comments with a more modest vision of what lies ahead, **write Richard Waters and Andrew Sharman.**

Mr Musk said that a software update to Tesla's Model S vehicles, coming in three months' time, would give them "auto-steering" capabilities making it technically possible to travel from San Francisco to Seattle without the human "driver" needing to take any actions. He added that the self-driving technology would be restricted to highways and other major roads, since the equipment in the Model S was not capable of handling more complex situations.

"It is technically capable of going from parking lot to parking lot, but we won't be enabling it for users with this hardware suite because we don't think it is safe in suburban neighbourhoods," Mr Musk said.

Analysts were quick to point out that the real-world uses of self-driving technology in Tesla cars were likely to be very limited, at least for the foreseeable future.


## Short View

James Mackintosh

Markets are prone to hyperbole. This time the superlatives are justified. Fed chairwoman Janet Yellen's pronouncement that a lack of patience "doesn't mean we are going to be impatient" in raising rates prompted the third-biggest intraday fall in the dollar index since at least 1985.

The peak-to-trough drop of 3.2 per cent in the greenback on Wednesday against a basket of trading partners was staggering. The rebound was even more exciting: the euro plummeted 4 per cent from Wednesday night's peak, the biggest fall in 24 hours since its creation in 1999.

Shifts of this scale often indicate serious trouble: the next biggest euro falls were after Lehman's failure and shortly before the dotcom bubble burst. Investors do not like it when the value of money moves around so wildly.

Yet, the move was not big because the Fed did anything significant. On the contrary: Ms Yellen's dropping of the promise to be patient was widely anticipated. But investors were completely certain the Fed would ignore weak US economic data and allow the dollar to continue its rampage through the foreign exchanges. The scale of speculative bets on a stronger dollar using futures had never been higher, meaning even a small disappointment could have disproportionate effects.

There have been signs of trouble in other asset classes too, notably the scary move in US bonds in October.

In part, market moves are accentuated by a lack of liquidity. But the swings also show that in a world of zero rates, investors are crowding into any trade offering some hope of making money — then all running for the door at once at the smallest sign they may be wrong.

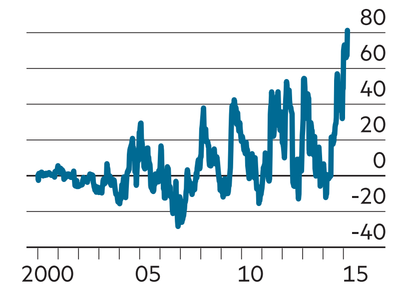
The trouble with the strong dollar story is in the Fed's forecasts. Policy makers think joblessness can fall much further before sparking inflation than they did just three months ago, and their median predictions for rates have come down about half a percentage point.

These are fairly weak signs. Market expectations for rate rises are lower still. And the Fed's guesses on when wage pressure will appear are no better than anyone else's.

Investors should pay less heed to central bank predictions. More importantly, they should avoid herding into the same bet as everyone else — or stock up on superlatives.

**Betting on the greenback**

Net speculative position in dollar Index futures ('000)




Source: Bloomberg

Fed chairwoman Janet Yellen's comments on interest rates on Wednesday prompted the third-biggest intraday fall in the dollar index since at least 1985

*james.mackintosh@ft.com*

## Falklands oil companies in $400m exploration push

The dispute between the UK and Argentina over the Falklands has not deterred smaller oil companies from persisting with ambitions to pump oil and gas from the remote waters around the islands, with $400m to be spent in the coming months to drill six wells.

**Analysis** ▶ PAGE 23

# StanChart investors urge bank to look at shift from London due to Osborne levy

DAVID OAKLEY AND MARTIN ARNOLD

**Two big investors in Standard Chartered want the group to consider switching its domicile away from London because of the chancellor's decision to increase the UK bank levy by a third.**

One top-10 investor in Standard Chartered said: "The increase in the bank levy may make it sensible to move. We want the company to look at this. Moving headquarters is not easy and it may not be worth it, but this should be considered."

He said the board had discussed the issue of moving in the past and decided against it. StanChart declined to comment. Bank insiders yesterday said StanChart was already one of the most heavily-taxed UK companies, paying 9 per cent of pre-tax profits to the bank levy last year.

Bill Winters was this month unveiled as the incoming chief executive of StanChart, replacing Peter Sands in June, and investors are pressing the former JPMorgan executive to make it a priority to reconsider the UK domicile.

A top-20 investor in the bank said: "This is a big hit for Standard Chartered. The bank would need to weigh up how much it would cost to switch domiciles, but it is looking more like a possible option."

The top-20 investor said Hong Kong might prove a more obvious place to be headquartered than Singapore, but it depended on costs, which only the bank could evaluate.

The bank has a dual primary listing in London and Hong Kong. The UK regulator has been increasing the capital StanChart is required to hold to similar levels as its rivals in Asia, eroding what was once seen as an advantage for banks to be based in Britain.

StanChart paid $366m towards the UK bank levy last year — an increase of more than 50 per cent on the previous year. After the government announced a one-third increase in the bank levy in this week's Budget, the amount it pays is likely to jump again this year, which insiders say may make it harder to justify staying in the UK.

**Martin Wolf** page 15



Companies / Sectors / People

Companies



Sectors



People

Banks

# BofA effort to block break-up vote fails

## SEC lets small shareholder challenge board over divesting non-core assets

BEN MCLANNAHAN — NEW YORK

Bank of America will have to defend its structure at its annual meeting in May, and Citigroup and JPMorgan may have to do the same next year, after the Securities and Exchange Commission allowed a small shareholder the right to challenge the board on a break-up.

If a proposal from Bartlett Naylor of Public Citizen, a consumer advocacy group, is adopted after a shareholder vote, BofA's board would be under pressure to appoint a committee to examine a plan for divesting all non-core banking businesses, such as Merrill Lynch, its investment banking arm.

The second-biggest US bank by assets had asked the SEC in January for permission to omit the proposal from its upcoming proxy, arguing the measure was too vague.

But this week the SEC said it did not agree with the bank's effort to throw it out.

According to Mr Naylor, who plans to make similar demands of Citi and JPMorgan next year, it marks the first time the SEC has allowed a measure to go ahead that pushes for a break-up of a large bank.

He noted that this was the third time that he had made such a proposal, and suggested that the SEC might have bowed this time to regulatory pressure on banks to take more radical measures to curb their size and sprawl.

Last month Federal Reserve chair Janet Yellen noted that tougher capital and liquidity requirements were causing banks to "think seriously" about spin-offs. "Frankly, that's exactly what we want to see happen," she said.

The Fed last week gave BofA a partial credit after its annual round of stress tests, insisting that it report back in six months on measures to improve its capital-planning processes.

The SEC declined to comment.

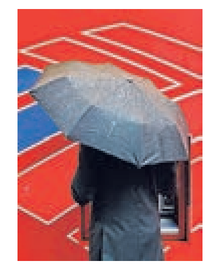
"Either we've cracked the code or the SEC has changed its mind," said Mr Naylor, a former Senate banking committee member.

Lawrence Grayson, BofA spokesman, said the bank would respond to the proposal in its proxy statement, due in a couple of weeks.

"We do not believe that creating a separate subcommittee on shareholder value is necessary," he said.

"The board as a whole focuses on shareholder value and regularly analyses these issues. We have reduced the size of the company by hundreds of billions of dollars as we have streamlined and simplified our business model."

The proposal from Mr Naylor was unlikely to win broad support, said Jeff Harte, an analyst at Sandler O'Neill in Chicago. But the fact that it had made it on to the ballot suggested that "the [break-up] conversation is becoming more interesting" in light of "continually rising capital and liquidity requirements".



The lender will have to defend its structure

Banks

## BNY Mellon pays $714m to settle fraud allegations

TOM BRAITHWAITE — NEW YORK
GINA CHON — WASHINGTON

**Bank of New York Mellon yesterday agreed to pay $714m to settle allegations that it committed fraud by giving customers the worst rates on foreign exchange transactions while promising "best execution".**

The settlement comes after a five-year investigation of the largest US custody bank by the US attorney's office in Manhattan and the New York state attorney-general.

BNY Mellon also agreed to "end the employment of certain executives involved in the fraud", the attorney-general's office said in a statement, including David Nichols, a managing director. A person familiar with the matter said one other mid-level executive would leave the bank. Last month, BNY Mellon restated its earnings to account for the impending charge.

"BNYM and its executives, motivated by outsized profits and bonuses, breached this trust and repeatedly misled clients to believe that the pricing they were getting on foreign exchange was far better than it actually was," said Preet Bharara, the Manhattan US attorney. "The bank repeatedly deceived its customers and is paying a heavy penalty for it."

Eric Schneiderman, New York state attorney-general, said: "Investors count on financial institutions to tell them the truth about how their investments are being managed. But Bank of New York Mellon misled customers and traded at their expense."

Mr Bharara and Mr Schneiderman filed competing lawsuits against BNY Mellon in 2011 but later joined forces. The investigation, which was triggered by a whistleblower, found that BNY Mellon told customers in its "standard instruction FX" programme that the bank would obtain the "best rates" available. Instead it obtained the best rates for itself but gave customers "the worst or close to the worst rates" and pocketed the difference, the prosecutors said.

The settlement document said BNY Mellon gave customers "near the worst interbank rates reported during the trading day or session". Though it admitted wrongdoing in the settlement, BNY Mellon had originally argued that its clients had benefited from cheap interbank rates that were not otherwise available to them. It said: "We are pleased to put these legacy FX matters behind us, which is in the best interest of our company and our constituents."

A lawyer for Mr Nichols declined to comment.

Banks. Monetary policy

# US banks braced for rate rise boost

Goldman's Lloyd Blankfein (left) and Gary Cohn differ over when rates will rise
Daniel Acker/Bloomberg

## Lenders attempt to figure out when Fed will act and position themselves accordingly

TOM BRAITHWAITE AND BEN MCLANNAHAN — NEW YORK
MARTIN ARNOLD — LONDON

Do not look to Goldman Sachs for a clear forecast on US interest rates: its top executives have different views. Lloyd Blankfein, chief executive, has warned for years that rates could rise faster than investors expect and recently sounded more optimistic about the benefits of an impending Federal Reserve increase.

Gary Cohn, chief operating officer, has questioned whether the strong dollar might make a rate rise difficult to pull off without harming the US economy, which could cause the Fed to delay.

Other than an interesting contrast at the top of one of Wall Street's most closely watched companies, the lack of unity shows the difficulty banks have in working out when the Fed will act and positioning accordingly.

For years industry executives have been hoping for an interest rate rise to boost profits. "When we get a 100 basis point rise at the Fed," they will gleefully say, "we stand to make an extra X billion dollars in net interest income".

But central bank and bond markets have left their hopes unanswered.

Back in 2011 John Stumpf, chief executive of Wells Fargo, told analysts that rates were going higher — "even though we've been wrong the last few months or the last year". He was wary about shifting more of his bank's vast stockpile of cash into longer-dated securities to earn a better return. That strategy would boost short-term earnings but would risk losses should rates rise. "The company is 159 years old," he said. "We're not going to do something stupid for the next one or two months just to produce some revenue."

Eyeing the same danger, Mr Blankfein warned in 2012 that rates could rise more quickly and sharply than the market expected. "People are once again complacent about the low level of interest rates," he said. But Mr Blankfein and Mr Stumpf, two of the industry's most respected chief executives, have had their expectations confounded.

With persistently low short and longer-term rates, the net interest margin — the spread banks earn between the rate they pay depositors and the rate they earn on loans and investments — touched the lowest level since records began 30 years ago during the third quarter last year. It fell to just 3.09 per cent and rose fractionally to 3.11 per cent in the fourth quarter.

Although rate rises have been put off for years and the Fed may still — perhaps following Mr Cohn's logic — balk again, the market is pricing the first rate rise in a decade later this year.

"Rising short-term interest rates and steepening yield curve would be music to banks' ears," says Jason Goldberg, an analyst at Barclays.

"This prolonged low-rate environment has been challenging on the revenue side. We'd expect it to be beneficial for most."

> 'People are once again complacent about the low level of interest rates'
> Lloyd Blankfein in 2012

Among the top US banks, Bank of America is the best placed, according to a Goldman analysis of the impact of rates rising to 3 per cent. It would add 31 per cent to earnings, compared with 24 per cent at Wells Fargo, 23 per cent at JPMorgan and 14 per cent at Citigroup. BofA says it would make an additional $3.7bn if rates rose by 100 basis points.

For Europe-based banks, HSBC and Standard Chartered are the biggest potential winners because of their large operations in Asia, where several currencies are pegged to the dollar.

Stuart Gulliver, HSBC chief executive, said last month that the ultra-low interest rate environment was costing the bank about $3bn-$4bn a year. Ronit Ghose, an analyst at Citigroup, calculated this month that a return to the 10-year average for net interest margins would boost HSBC profits by a fifth and StanChart profits by a third.

The best scenario for banks is for longer-term rates to go higher, allowing them to make money from borrowing short and lending long. Investment banks are also anticipating a jump in revenues as clients reposition their portfolios and volatility returns to the markets.

It is hard to predict the precise effect. JPMorgan has warned that banks cannot count on being able to pay depositors next to nothing while jacking up loan rates: there could be a wide-scale deposit flight from banks to money market funds.

INSIDE BUSINESS
TECHNOLOGY

Richard Waters

## Investments in the $1bn valuation club could pose dangers

Some unusual names have been appearing on the investor lists of up and coming private technology companies. Take a spate of investments made over the past week or so in companies that are in (or very close to joining) the $1bn valuation club — a group whose exclusivity has faded somewhat as its ranks have swollen.

Among the investors lining up in recent days have been: Wellington Management, a mutual funds group that took a lead in financing rounds for business intelligence company Birst and Zuora, the billings software firm; the family investment office of Swiss businessman Ernesto Bertarelli that led an investment in data-centre technology company SimpliVity; and business rivals Salesforce.com and Microsoft, which buried their differences to join a funding round for analytics company InsideSales.

Investors who normally limit themselves to the public stock markets have been among the most prominent newcomers to this game. Wellington, along with four other US funds groups — T Rowe Price, Fidelity, BlackRock and Janus Capital — participated in venture capital rounds that raised $4.7bn last year, according to CB Insights. That was nearly twice as much as the previous three years of tech-funding rounds combined.

These conventional funds groups have had little choice. In the US, the Jobs Act made it easier for companies to stay private for longer. And if Silicon Valley will not come to Wall Street, then Wall Street has to come to Silicon Valley.

> Most investors will be left in the cold, forcing them into lower-quality deals

An optimistic interpretation of this trend is that it is good for all concerned. Public investors get in on the ground floor of the next Googles or Facebooks, while the private companies get access to large amounts of capital and a gentle introduction to the rigours that will eventually come from a full initial public offering.

For example, Scott Dietzen, chief executive of Pure Storage, which has raised nearly $500m privately, says that his mutual fund investors are educating him about what life will be like when he has to run a public company. Brad Peters, founder of Birst, says that his company now holds public company-style quarterly earnings calls with investors. And Zuora boss Tien Tzuo, who calls his latest fundraising "a private IPO", says that having public market investors around forces a discipline that will stand him in good stead when he finally takes the plunge.

What is not clear yet, however, is how well the private markets will handle the quasi-public responsibilities they are taking on as they channel much larger amounts of money to businesses that could just as easily do an IPO.

Valuation is one very murky area. According to Mr Tzuo, public investors have been pushing for lower valuations to leave room for some upside — much as they would in a traditional IPO. But that point is not apparent from the soaring valuations being achieved in the late-stage private market.

> Is a company really worth $1bn if the investors put a floor under their holdings?

Some tech IPOs have even been made at substantial discounts to private valuations, and companies such as Box and Hortonworks still trade below their earlier valuations in private fundraisings.

Investors in the private markets can often insulate themselves from losses in situations such as these by insisting on downside protection — which means they are handed more shares as compensation. But that makes a mockery of the stated valuations. Is a company really worth $1bn if the investors at that valuation have put a floor under their holdings? It also creates confusion for would-be employees who are offered stock awards to join the company — or, indeed, anyone else trying to work out what an up and coming company is really worth.

A second question is what happens when investment is channelled into private venues where the disciplines of the public markets are absent. Venture capitalist Bill Gurley has warned — loudly — of the heightened risks from backing companies that have not developed the full financial controls of public corporations.

There may also be deeper distortions to the capital markets. Access to private deals is highly restricted: only a handful of big investors have the influence to get in on the most sought-after financing. Most investors will be left in the cold, forcing them into lower-quality deals.

This runs counter to the principles on which public capital markets operate. But, in the absence of a more active IPO market, it is the reality many tech investors must face.

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Media

## Rakuten in $410m book-lending platform deal

HENRY MANCE
— MEDIA CORRESPONDENT

**Japanese internet group Rakuten has made another move to challenge Amazon's ebook dominance, paying $410m to buy lending platform Overdrive.**

Rakuten, which owns Kobo, the ereader maker, has been on an acquisition spree that has seen it buy messaging service Viber and stakes in scrapbooking site Pinterest and taxi service Lyft.

Its ebook unit is lossmaking and small compared with Amazon, which accounts for more than 60 per cent of ebooks sold in the US, estimates say.

Overdrive, whose lending platform is used by about 33,000 libraries, schools and universities, claims to be "the largest provider of digital content to libraries".

Acquiring the company makes Rakuten one of the big three players in the ebook market, "ahead of Google Books and Barnes & Noble", said Andrew Rhomberg, founder of publishing start-up Jellybooks.

"It massively deepens Rakuten's relationship with publishers."

The all-cash deal values Overdrive at 16.4 times last year's earnings before interest, taxation, depreciation and amortisation, which was $25m. Rakuten's ebooks division will have ebitda "close to break-even in 2015", including OverDrive's contribution, the company said.

Overdrive is the only book lending platform in the US that is compatible with Amazon's Kindle.

It has also branched out into music, videos, magazines and newspapers.

Rakuten, which has said it is looking for new online business models, likened the acquisition to its investment in Lyft, a rival to Uber.

"Overdrive is a widely respected pioneer in digital content and the sharing economy," said Takahito Aiki, head of Rakuten's global ebook business.

Personal goods

## TAG Heuer and Google to develop smartwatch

ADAM THOMSON — PARIS

**TAG Heuer has announced a partnership with Google and Intel to develop a smartwatch, signalling that they want to take the fight to Apple as the Californian company prepares to roll out its Apple Watch.**

The Swiss watchmaker, owned by Paris luxury goods conglomerate LVMH, said that the link would create "a product that is both luxurious and seamlessly connected to its wearer's daily life".

The move marks the first time that a top-end brand from the Swiss watch industry has joined the competition for smartwatches and leaves no doubt as to Google's determination to follow Apple into high-end wearable technology.

For chipmaker Intel, the alliance is an opportunity to make up for its failure in the smartphone market by leapfrogging into wearables.

Jean-Claude Biver, who heads LVMH's watches unit, said yesterday that the transatlantic tie-up between 155-year-old TAG Heuer and 17-year-old Google was "a marriage of technical innovation and watchmaking credibility".

Some industry analysts will see the irony of Mr Biver moving into the smartwatch business. He is largely credited with having saved the Swiss watch industry from the proliferation of quartz movements in the 1970s and 1980s by emphasising the virtues of handmade mechanical timepieces.

A 1980s campaign he launched as head of the Blancpain watchmaker he revived stated defiantly: "Since 1735 there has never been a quartz Blancpain watch. And there never will be."

But Mr Biver told the Financial Times yesterday: "We believe that TAG Heuer is an avant-garde brand and our customers belong to the younger generation. There is a demand for luxury connected watches and we want to satisfy that demand."

*Additional reporting by Richard Waters in San Francisco*

COMPANIES

# Deutsche Bank pressed to jettison Postbank

## Retail business in the spotlight as German lender eyes shake-up amid sluggish markets, litigation and tough regulation

JAMES SHOTTER — FRANKFURT
LAURA NOONAN — ZURICH
MARTIN ARNOLD — LONDON

Investors in Deutsche Bank are pushing for a sale of the group's Postbank retail business as the German lender's supervisory board prepares to meet today to discuss the bank's strategy review.

Germany's biggest bank is looking for ways to bolster returns, faced with a combination of sluggish markets, litigation and tougher regulation that wiped 23 per cent off its shares in 2014 alone.

The bank has said it will reveal its new strategy in the second quarter and is set to do so before its May 21 shareholders' meeting. This will be a key moment for co-chief-executives Anshu Jain and Jürgen Fitschen, whose previous targets the bank is likely to miss.

Retail banking in Germany is less profitable than in many other European countries because of fierce competition from the country's proliferation of local savings banks and Germans' traditional aversion to higher-margin products such as credit cards.

"[Deutsche] need to do a proper restructuring of their retail business, as the low returns there are making it very hard for them to achieve their group targets," says Vincent Vinatier, a portfolio manager at AXA Investment Managers, one of Deutsche's top 50 shareholders.

"If they were to sell off part of Postbank, as well as their other retail businesses in the rest of Europe outside Germany, that would be quite convincing. Suddenly you would have a much cleaner story."

Other big investors have also been demanding that Deutsche sell off part or all of Postbank, whose €144bn of assets generate relatively low returns but put pressure on Deutsche's under a regulatory measure dubbed the leverage ratio.

Deutsche had a leverage ratio of 3.5 per cent in December, meaning it had 35 cents of equity for every €10 of assets. US banks have to increase their leverage ratios to at least 5 per cent and investors want Deutsche to be closer to the US norm. Getting to 5 per cent would require a more than €300bn reduction in the bank's €1.7tn balance sheet, according to analysts, assuming no increase in equity.

The retail unit, which houses Postbank, managed a return on equity of only 6 per cent in 2014, giving it the worst return of the bank's four core divisions. Deutsche has been targeting a 12 per cent return for the group by 2016.

Deutsche bought into Postbank in 2008, but the unit has relatively little overlap with its other non-retail businesses, and some analysts reckon it is not so tightly woven into Deutsche that a deconsolidation would be impossible.

"The cost base in their retail business is almost €7bn, which is more or less where it was three years ago," Kinner Lakhani, an analyst at Citigroup, says. "That suggests that they are behind the curve on integration."

Disposing of Postbank would deprive Deutsche of deposits that have helped balance the wider group, even though it has not been able to use excess deposits from the retail bank to finance its investment bank as hoped.

Under the net stable funding ratio that is part of Basel III, banks must finance their activities with sufficiently stable sources — such as retail and corporate deposits or long-term bonds — to mitigate risk of future funding stress.

Without Postbank's deposits, people familiar with the situation say that Deutsche will need to make further big cuts in parts of its investment bank to still comply with the net stable funding ratio. The most likely area to be reduced is the rates trading business and prime brokerage, both hit hard by Basel III.

But unlike UBS, Barclays and RBS, which have drastically cut back investment banking, Deutsche is set to remain a big operator in the area, a stance that has some support among investors.

"Committing to investment banking is in principle the right strategy," says Helmut Hipper, a fund manager at Union Investment, one of the 20 biggest shareholders in Deutsche. "In the good times, this is where you can make the best returns."

Rival bankers point to the relative size of Deutsche's investment banking business as a reason for not retreating further. While UBS had a sizeable wealth management business to fall back on, and RBS and Barclays have sizeable retail businesses, for Deutsche, investment banking is the powerhouse.

The unit generated 43 per cent of net revenues in 2014, against retail's 30 per cent. Its share of profits was even higher, since it makes higher returns.

"Deutsche doesn't have a second engine," says one rival, adding that to sustain a transformation it would be necessary to have another part of the business generating enough profits to keep overall earnings on track. Deutsche could find its way there eventually, the banker says, if it were able to make acquisitions that would allow the bank to diversify its earnings.

> 'The low returns there are making it very hard for them to achieve their group targets'

With the bank's shares trading at 61 per cent of book value, acquisitions are for now a distant prospect. But Deutsche has other ways of expanding. Its asset and wealth management business has become increasingly important over the past three years, and even without acquisitions, is likely to expand further.

With regulations in flux, the bank's last strategic review stopped short of drastic changes. But this time investors say a more radical approach is needed.

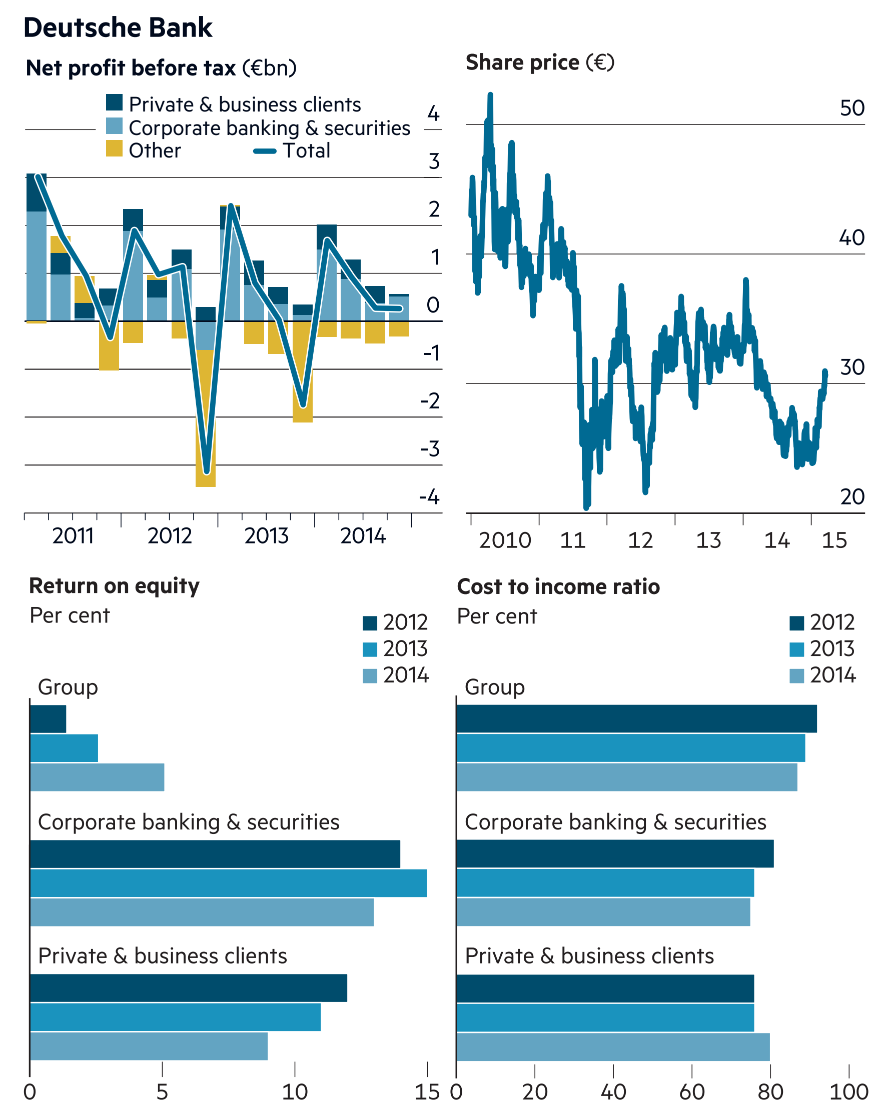
"If by 2017 they have done a proper restructuring and they have managed a return on equity of 10 per cent, they won't be trading at 0.6 times book," Mr Vinatier of Axa says. "The scale of the upside is very significant. But they need to grab the bull by the horns."

See Lex

### Strategic challenge


Deutsche Bank is looking for ways to boost returns, and retail banking in Germany is less profitable than in many other European countries

Arne Dedert/epa; Fabrizio Bensch/Reuters




Sources: S&P Capital IQ; Thomson Reuters Datastream; company

Investment companies

# Buyout groups hunt for energy acquisitions

Carlyle and Blackstone to the fore as oil slide raises expectations of asset sales

CHRISTOPHER ADAMS AND JOSEPH COTTERILL

Private equity groups including Carlyle and Blackstone are to deploy billions of dollars in a hunt for acquisitions across the oil and gas industry, with a collapse in oil prices expected to lead to a wave of asset sales.

Carlyle says investors have committed $2.5bn to its first international energy fund, the biggest first-time capital raising in the group's 28-year history, taking to over $10bn the total available for investment in energy.

The group, one of the biggest alternative asset managers, is to target the North Sea, preparing to invest up to $1bn in offshore UK fields after Wednesday's Budget slashed taxes on industry profits and introduced a new investment allowance to boost exploration.

Carlyle's fundraising compares to the $9bn in capital which Blackstone chairman Steve Schwarzman this week said his firm had available across buyout and credit funds to spend on energy investments. GSO, Blackstone's credit arm, is also raising a fund for investing in the debt of energy companies, which may reach more than $2.5bn in size.

The size of the funds suggests investors believe that sharply lower oil prices, now down more than 50 per cent to $54 a barrel from last summer's $115 peak, will lead to attractively priced assets coming on to the market.

Sixty per cent of Carlyle's fund was likely to be invested in producing fields, much of them offshore, with a substantial portion in the UK North Sea, said people familiar with the plans.

It is understood that the group is prepared to take operating stakes in fields, but will be looking for assets that have many years of production left, ruling out older, more mature fields where decommissioning liabilities loom large.

One example of a possible acquisition would be a stake in Total's Laggan Tormore deepwater project west of the Shetlands. The group is sounding out buyers for a 20 per cent equity share.

However, while industry executives say the cut in the UK's so-called supplementary tax rate on producers, from 30 per cent to 20 per cent, will encourage interest in the region, there remain problems over access to infrastructure and how to share decommissioning liabilities that are preventing deals.

The volatility in the oil price has for now put buyers and sellers further apart. Though bankers say there is no shortage of equity stakes potentially on the block, it could take several months of settled oil prices before companies agree on asset valuations.

One investment banker said there was little likelihood of merger and acquisition activity anytime soon. "The North Sea is uninvestable, a no-go area," he said. "Anybody who has a mature position is desperately trying to get out. But it is extremely difficult to get out."

Mobile & telecoms

# Telecom Italia back in black amid network revamp plans

DANIEL THOMAS — TELECOMS CORRESPONDENT

**Telecom Italia has returned to profit for the first time in three years as Italy's largest telecoms group begins its largest ever investment to modernise its mobile and fixed broadband networks.**

The group was on the way to becoming a "real public company", according to chairman Giuseppe Recchi, following an overhaul of its broadband and corporate governance.

Net income rose to €1.4bn in 2014 after a loss of €674m the year before when results were hit by an impairment charge. Revenues fell almost 8 per cent to €21.6bn, with earnings before interest, tax, depreciation and amortisation down a similar amount to €8.8bn.

The group yesterday said that it would raise €2bn via a bond issuance to refinance its existing debt. Telecom Italia remains rated at junk status by rating agencies with net debt at €26.7bn, only down slightly from the year before but still much higher than its market capitalisation of about €20bn.

The company warned that traditional telecoms services such as voice would continue to fall, but that these would be partly offset by revenues from products sold on the back of demand for high-speed connectivity and digital services.

Hard calling: The market for telecoms services remains fiercely contested by rivals such as Vodafone

A fall in the domestic market would still be the result, it said, but "considerably less so than that seen in previous years, particularly on mobile".

Marco Patuano, chief executive, said: "The positive trend of our business in the early months of 2015 is in line with goals we previously set and shows the company is on the right path."

The market for telecoms services in Italy remains fiercely contested by rivals such as Vodafone — which yesterday signed a letter of intent to enter talks to acquire a large stake in Milan-based fibre provider Metroweb — as well as Wind and Three. The latter two mobile groups are in talks to merge, however, which would alleviate some of the competitive pressure.

Telecom Italia anticipates growth in Brazil at lower rates than those recorded in previous years owing to now widespread use of mobile phones in the country and the shift from voice-SMS services towards internet services.

To counter the challenging market outlook, Telecom Italia plans to invest almost €15bn in modernising its networks to offer superfast speeds over both mobile and fixed line broadband.

It will also invest in the development of data centres to support cloud services and international fibre connections, while looking to cut operating costs.

Technology. Bendable lighting

# LG Chem tips organic lights for bright future

Asian groups invest in costly organic light-emitting diode technology to push prices down

SONG JUNG-A — SEOUL

LG Chem is leading a charge by South Korean and Japanese companies to grab a bigger share of the nascent and potentially lucrative OLED lighting market, drawn by the bright prospects of the next-generation technology.

Big manufacturers are moving towards mass production of organic light-emitting diode, or OLED, lighting panels – thinner, lighter and bendable lighting sources. OLED panels are already used for electronic displays in smartphones and televisions – a multi-billion-dollar market; Samsung Electronics features OLED screens on its Galaxy smartphones and tablets.

The high cost of manufacturing the technology has hobbled the market's development. But conventional lighting groups including Dutch conglomerate Philips and Germany's Osram are increasingly focusing on OLED research and development.

Conventional lighting groups such as Philips are researching OLED (above), although its high costs have hobbled the sector's development — Ralph Orlowski/Bloomberg

However, it is South Korean and Japanese companies, seeking new areas of growth, that are aggressively investing in the technology in a bid to push down production costs. The global market for OLED lighting is valued at just $83m a year, but is expected to grow rapidly to $4.7bn by 2020, according to UBI Research, an OLED-focused consulting company in Seoul.

LG Chem, South Korea's biggest chemicals company and a leading maker of rechargeable batteries for electric vehicles, is the world's largest manufacturer of OLED lights, with 20 per cent of the market.

It is betting that the next-generation technology will help it make inroads into the $150bn global lighting market dominated by Philips, Osram and General Electric.

While western rivals still making money from LED panels remain unconvinced about the new technology's commercial value, Japanese companies such as Konica Minolta, Pioneer and Mitsubishi Chemical began the mass production of OLED lighting panels last year.

LG Chem is aiming to steal a march by launching mass-market models, with its Japanese rivals yet to produce anything beyond small-scale samples.

It is poised to introduce one of the few products for the mass market, starting commercial sales of reading lights later this month. It will build a production line at a cost of about Won200bn ($178m) in the second half of this year – a facility that will rank, with Konica Minolta's Y10bn ($82m) plant that came on stream last year, as one of the two biggest in the industry.

| $4.7bn | $150bn |
| --- | --- |
| Predicted value of global market for OLED lighting by the year 2020 | Value of global lighting market, led by Philips, Osram and GE |

LG Chem says that it has good reason to be confident. The flexibility of OLED panels allows greater design creativity. They are much thinner and lighter, at one-tenth the thickness of conventional LEDs and one-fifth their weight.

They produce little heat and consume just 10 per cent of the power used in conventional lighting.

That makes them ideal for use in lighting for curved surfaces in cars, aircraft and submarines, whose weight affects fuel consumption.

In addition, they are more energy efficient than electric bulbs or fluorescent tubes and easier on the eyes as they more closely resemble natural light.

Once the new production line is running, the economics of scale should boost capacity by more than 30 times and as a result "pricing of OLED lighting panels will become much more competitive, falling to one-tenth of their current prices", predicts Park Sung-soo, vice-president at LG Chem.

William Rhodes, researcher at IHS Technology, adds: "The price and performance of the OLED panels are slowly reaching the levels required for them to be seriously considered as an expensive but viable alternative to premium OLED luminaires and fixtures."

LG Chem aims to leverage affiliate LG Display's expertise in OLED displays in its lighting business, where the production process is similar – though less complex – than OLED display production.

It sells a line of OLED fixtures at Home Depot in the US and is working with premium carmakers in Japan and Europe to introduce the technology.

Optimists expect the market to take off in three to five years as companies continue to develop manufacturing technology and expand capacity.

However, proponents face a challenge in presenting compelling reasons for mainstream consumers to buy OLED fixtures, which are 10 times more expensive than their LED counterparts.

Prices will need to fall further if OLED lights are to be more widely adopted, analysts say, noting LG Electronics' parallel struggle in pushing expensive OLED televisions alone while Samsung and others hang back.

"OLED lights are appealing to creative designers but their advantages still do not seem so compelling to ordinary consumers due to high prices," says Lee Jung-ik, researcher at Electronics & Telecommunications Research Institute.

"They are unlikely to become mainstream products until 2020 as more technological development is needed to drive the cost down."



General financial. FCA probe

# Rifat jailed for 19 months over insider trading

Former £700,000-a-year Moore Capital staffer pleaded guilty over £285,000 scam

CAROLINE BINHAM — FINANCIAL REGULATION CORRESPONDENT

Julian Rifat has not had much luck in celebrating his birthday of late. Five years ago, the financial watchdog arrested him for insider trading in the early hours of his 41st birthday. His 46th, on Monday, will be celebrated behind bars.

Rifat, a former execution trader at Moore Capital, yesterday began a 19-month prison sentence after pleading guilty to a £285,000 insider-trading scam, the spoils of which netted him a luxury holiday in Oman and a brand new Range Rover for the driveway of his Oxfordshire home.

Given that those are the typical toys of a hedge-fund manager, many people observing the case have asked why the father of three, who earned more than £700,000-a-year at Moore, risked his reputation, career and liberty.

He stood in silence in the dock at Southwark Crown Court, London, yesterday, dressed in a grey suit and wearing a purple tie, as Judge Alistair McCreath sentenced him, the final chapter in a long saga.

Rifat's guilty plea in November was drawn out of him four-and-a-half years after he was first arrested, during which time he denied wrongdoing and declined to answer questions in three interviews with the Financial Conduct Authority, the watchdog that brought the case against him.

His plea came in stark contrast to the intervening years, when he had challenged the FCA over the length of time its investigation was taking — it charged him only at the beginning of 2014 — and he even took the holiday in question, paid for by his co-conspirator with the proceeds of their insider dealing, with his wife after his arrest.

Last year, just before he entered his guilty plea, he signed a deal with the United States Department of Justice as part of a separate criminal probe, the court heard. He told the DoJ that he had been arrested "noisily" and just before the last general election, and that the matter was yet to be determined; a narrative that Judge McCreath noted in sentencing was not "wholly accurate".

He is the missing part of the puzzle for the FCA, which has seen two other defendants plead guilty in the case, at whose centre stood Graeme Shelley. Shelley, a former broker at Novum Securities, was receiving inside information from Rifat and Paul Milsom, a former equities trader at the investment arm of insurer Legal & General.

Shelley would trade using spread bets or contracts for difference, then split the profits with his relevant informant. Cash was handed over in City pubs such as the Rack & Tenter and The Gable, which both sit near Moorgate station — inspiration, perhaps, for the code name given to the FCA's investigation, Operation Tabernula; Latin for "little pub".

So diligent was Shelley that he kept a handwritten note of trades made and money owed or paid. Less diligently, four pages of his ledger were found in his jacket pocket on the day of his arrest in March 2010.

Shelley, who co-operated with the FCA, received a two-year suspended sentence while Milsom received a two-year custodial term. The maximum sentence for insider trading is seven years.

The arrests that announced Tabernula in newspapers around the world snared both Shelley and Rifat, along with four other suspects from institutions such as Deutsche Bank and Exane BNP.

Julian Rifat's confession in November was drawn out of him four-and-a-half years after he was arrested

Rifat's arrest at his Oxfordshire home was piquant not least because his neighbour was Sir Hector Sants, who was then head of the regulator.

The dawn raids involved more than 140 investigators across 16 locations and amounted to what is still the largest insider-trading probe undertaken by the watchdog, which had never criminally prosecuted insider trading before 2008. Rifat's guilty plea now gives it a running tally of 26 convictions.

"The FCA's true record on insider trading is impossible to judge since so little is known about the extent it actually occurs or the intelligence the FCA receives in regard to it," said Tim Aron, a former regulator who is now at law firm Arnold & Porter.

There is some evidence that successful prosecutions reduce insider trading: while 31 per cent of takeovers showed signs of suspicious trading before they were announced in 2009, that figure dropped to 15 per cent in 2013, the most recent statistics available.

While the guilty pleas of Rifat, Shelley and Milsom are offshoots of the main probe, six other defendants face a jury trial in January, accused of a separate insider-dealing ring. They deny the charges. That timetable ensures Tabernula has at least another year to run.

See Lombard

Energy assets. South Atlantic

# Explorers in $400m Falklands drilling push

**Potential bonanza for islands as Premier Oil and Noble remain unruffled by diplomatic dispute**

MICHAEL KAVANAGH

The Ocean Guardian rig off the islands. Below: an Argentine 50-peso note showing the Falklands
Gary Clement/Reuters; AFP

Buenos Aires began issuing 50-peso notes this month featuring a map of the Falkland Islands, designed to remind citizens of Argentina's continued claim over the UK dependent territory it unsuccessfully invaded in 1982 and calls the Malvinas.

The longstanding dispute between the UK and Argentina has not deterred several smaller oil companies from persisting with ambitions to pump oil and gas from the remote waters around the Falklands.

Most of the money being spent over the coming months — to drill six wells at a cost of $400m — is being committed by London-listed Premier Oil and Noble Energy of the US. Junior partners include UK-based Rockhopper Exploration and Falkland Oil & Gas.

Oil was first found off the Falklands in 2010 by Rockhopper in a field named Sea Lion north of the islands. The discovery was too modest to secure interest from large energy groups, but the tax revenues associated with the crude could yet be transformational for the scarcely populated Falklands.

There were hopes that production in the Sea Lion field could start by 2017, but concerns over the engineering challenges of operating in the South Atlantic ocean, and delays in securing financial support, have pushed that timetable back.

The 50 per cent fall in oil prices since last summer risks further delays.

However, Sam Moody, chief executive of Rockhopper, insists that a scaled-down plan for the Sea Lion field, involving initial capital expenditure of $1.8bn or less, could still secure a start to production before


2020. "We are confident it [Sea Lion] will still get [approved]," says Mr Moody. "What matters is the oil price assumption for 2020, 2021 and 2022."

Mr Moody also insists that the Sea Lion field will be developed, whether or not this year's exploration campaign in other areas around the Falklands succeeds.

"We are talking about 400m barrels of recoverable oil. I can't remember the last time that amount was discovered in the UK's North Sea."

A decision over the final go-ahead for the Sea Lion field rests with Premier Oil, the FTSE 250 company which bought a majority stake in the project, and took over as operator in 2012.

In January, Tony Durrant, Premier's chief executive, conceded that the company could only back the field if there was a significant recovery in Brent crude to more than $50 a barrel.

Any firm commitment by Premier to the field's development will also depend on balancing realistic assumptions about future oil prices against the fiscal terms offered by the Falklands government.

The authorities in the capital Stanley expect to receive a 9 per cent share of production revenues through a long-standing framework offered to oil explorers, while successful developers will also pay a tax of 26 per cent on company profits to the Falklands government.

Stephen Luxton, director of mineral resources for the Falklands government, defends the terms on offer to successful developers — seen as being among the most generous in the world.

"It's an important principle to maintain fiscal stability for companies considering investing in projects over 15 to 25 years," he says. "Companies need a good return to work here as it's such a remote area."

Mr Luxton is reluctant to be drawn on just how much money could flow into the coffers of the Falklands government should the Sea Lion field proceed to development, although he agrees it could be transformational.

**$1.8bn** Initial capital expenditure in scaled-down plan for Sea Lion field

**$2.5bn** What the islands' government might receive in tax over 15 years

The islands, which have fewer than 3,000 inhabitants, generate an annual gross domestic product of £100m, or less than £30,000 a head.

The islands' economy has traditionally been based on sheep farming, although much of the Falklands government's revenues are derived from exports of frozen squid, fished by foreign vessels whose crews are recruited in South Korea, Vietnam and other Asian countries.

All that will change if the Sea Lion field proceeds.

The first stage of the field's development would deliver 60,000 barrels of crude a day, and the Falklands government could feasibly receive $2.5bn in oil-related tax over 15 years. That equates to close to $1m of tax per head of population from the first stage of the project alone.

> 'We are talking about 400m barrels of recoverable oil'
>
> Sam Moody, Rockhopper chief

Another $2.5bn of tax could be obtained from a potential second phase of the Sea Lion field's development. If there is further exploration success in the waters off the Falklands, the islands could secure billions of dollars more in tax over the coming decades.

Mr Luxton and other Falklands officials have visited Norway and discussed how to apply the lessons learned by the Nordic country in managing its vast hydrocarbon wealth accrued since the 1970s.

"It's an issue that has been firmly on our radar for a number of years," says Mr Luxton. "We have to look after this resource responsibly and look to stretch the benefit over several generations."

Oil & gas

## Vitol profits rebound on back of oil price fall

NEIL HUME — COMMODITIES EDITOR

**Vitol, the world's biggest independent oil trader, saw a sharp recovery in profits in 2014, aided by more favourable market conditions towards the end of the year.**

In the 12 months to December, Vitol reported a net profit after tax of $1.35bn, according to people familiar with the privately owned company, the most since 2011 when net income reached $1.7bn. They said that Vitol appeared to have made a significant chunk of its profits in the fourth quarter when crude oil prices sank and volatility increased.

Vitol, which has large trading hubs in Geneva, Houston and Singapore but is registered in the Netherlands, declined to comment.

The company regularly discloses revenue figures but not its profitability.

However, figures filed with the Dutch authorities showed that Vitol made a net profit after tax of $837m in 2013, its worst performance in a decade, and just over $1bn in 2012.

After several years of flat markets, falling profits and declining margins, oil traders such as Vitol, Trafigura, Mercuria, and Gunvor are enjoying the most favourable trading conditions they have seen since the financial crisis in 2008.

The 50 per cent fall in oil prices since mid-2014 has enhanced opportunities to make profits from buying oil, storing it and selling it at better future prices.

When future oil prices are higher than spot prices, the market is said to be in contango, while the opposite is known as backwardation. A contango market was largely responsible for the record profits oil traders booked in 2008-09.

Oil volatility, which has jumped to its highest level since the financial crisis, is another reason why the performance of large trading houses, which buy and sell huge volumes of commodities, has improved.

Oil traders are enjoying the most favourable trading since 2008

Ivan Glasenberg, chief executive of Glencore, the Swiss resources group, recently said that 2015 could be a "blow-out" year for its oil-trading business if market trends continue.

However, others, including Ian Taylor, chief executive of Vitol, have been more circumspect, saying that talk of a storage boom has been overblown.

"For a brief time the market structure presented some interesting opportunities for a physical trader, notwithstanding the additional challenges of hedging physical cargoes in a highly volatile market," he said last week when Vitol announced revenue figures for 2014.

People who have seen the management accounts said Vitol appeared to have made a $1.2bn dividend distribution last year. Vitol shares are highly coveted and are only handed to senior employees.

Vitol handles more than 5m barrels a day of oil and products — roughly equivalent to the daily consumption of Japan. It has more than 7,500 employees and also has investments in assets from oil refineries in Europe to oil terminals in the Gulf and Africa. Last year, the company made its biggest acquisition, spending $2.6bn to buy an oil refinery and a petrol station business in Australia from Royal Dutch Shell.

Support services

## Li & Fung hit by weak Europe and US demand

JENNIFER THOMPSON — HONG KONG

**Weak demand from the US and Europe has weighed on 2014 profits at Li & Fung, the supplier of made-in-Asia goods to western retailers such as Target, Marks and Spencer and Walmart.**

The Hong Kong-based sourcing company, seen as a bellwether of the sector, reported net income of $539m in 2014, down 12 per cent year-on-year but beating analysts' consensus estimates of $498.5m.

Revenues for the 12 months to December 31 rose 1.4 per cent year-on-year to $19.3bn, undershooting analysts' estimates of $19.5bn.

The Hong Kong-listed group partly blamed a restructuring and foreign exchange moves for its profits slide.

"The whole macro environment was tough," said Spencer Fung, chief executive.

Mr Fung added that in addition to currency moves putting pressure on the 8,000 retailers the company supplies, Beijing's anti-corruption push and the economic slowdown in the eurozone had also crimped profits.

The weak euro had not helped as roughly one-fifth of the retailers that Li & Fung supplies are based in Europe — weakening profits booked by Li & Fung in the single currency but later converted into dollars.

However, the group said it had escaped the worst from the recent gridlock at major ports on the US west coast that disrupted production at car factories, led to shortages of French fries at Japanese McDonald's franchises, and prompted a profit warning from Gap, as it was able to divert products to other ports in Canada and Mexico.

"There was some effect but it wasn't material," Mr Fung said.

Li & Fung last year used an all-stock spin-off to split itself into two companies: a sourcing and logistics company, and the other managing and licensing brands, called Global Brands Group.

Global Brands owns a range of labels such as Juicy Couture, but also holds licences from fashion labels such as Tommy Hilfiger, Calvin Klein and J Lo, the brand launched by film and music star Jennifer Lopez, to produce and sell their products.

The group also manages labels including Coach shoes and licensed characters, such as Angry Birds and Spider-Man.

Li & Fung shares closed up 0.75 per cent at HK$8.03 before the results were announced.

Legal Notices

**In the matter of Roscontract (Cyprus) Limited and In the matter of the Cyprus Companies Law Cap 113**

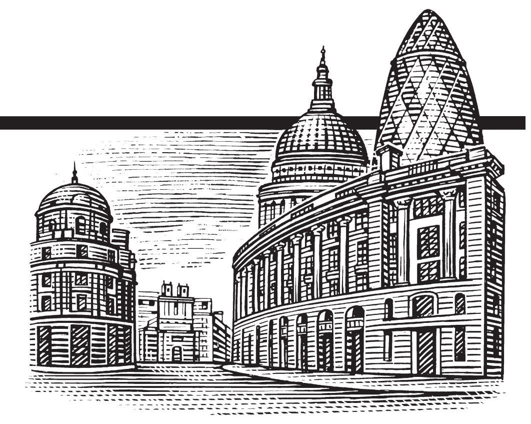
Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are required on or before the 20th day of April 2015 to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Constantinos Constantinou, of PricewaterhouseCoopers Limited, Julia House, 3 Th. Dervis Street, CY-1066 Nicosia, P.O.Box 21612, CY-1591 Nicosia, Cyprus, the joint liquidator of the said company, and if so required by notice in writing from the said joint liquidator, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 20th day of March 2015

Constantinos Constantinou
*PricewaterhouseCoopers Limited*
*Joint Liquidator of Roscontract (Cyprus) Limited*

UK COMPANIES

# Lombard



## Rifat's prison sentence indicates front running has run out of time

Jonathan Guthrie

City types used to joke that their order books had two columns. One recorded big stock purchases requested by clients. The other noted smaller orders the broker placed first on his own behalf, anticipating price rises. The practice is called "front running". Julian Rifat, a prominent trader, has just been sentenced to 19 months in prison for involvement in it.

This is a useful victory for the Financial Conduct Authority, which brought the case. The regulator would have looked stupid had it failed to secure convictions after mounting its largest ever series of raids on suspected insider traders in 2010. Instead, this is the third scalp the probe has claimed. More may follow.

A punchy sentence for Mr Rifat, who worked at hedge fund Moore Capital, shows that money made from front running is no longer an acceptable perk of working in the Square Mile.

Some readers will grumble that the practice is less reprehensible than making money from advance notice of a corporate takeover, since it occurs purely within the City bubble. This is sophistry. In both cases, the insider trader betrays a trust to enrich himself at another's expense.

Mr Rifat's victims were his employer and businesses seeking funding that had approached Moore Capital. He is unlikely to have made more than a few hundred thousand pounds from spread bets placed by accomplice Graeme Shelley, who worked at Novum Securities. Hardly a fortune for a man earning about £1m a year.

Mr Rifat protested his innocence to journalists in 2010. In 2014 he caved and pleaded guilty. Investigators had compiled volumes of evidence. This helps explains why the case took five years, though that is still overlong.

There is too much easy financial regulation of the box-ticking kind in the UK. There is too little hard regulation of the sort that punishes crooks who abuse the markets. But slowly, through cases like this, and a 13-year sentence for a fraudster in January prosecutors are gaining traction.

### Ted talk

Will the real Ted Baker please come forward? Fantasy and reality merge at the fashion retailer, which increased pre-tax profits to £48.8m in the year to January 2015. Mr Baker is a character as fictional as the Jolly Green Giant or that porridge-peddling Quaker. But he exerts a strong influence over the company set up by his shy inventor, chief executive Ray Kelvin.

Mr Kelvin praised the "Tedication" of staff when he announced this sales-driven result. Apparently, workers are supposed to resolve dilemmas by asking themselves: "What would Ted do?" This would be piffle if it did not appear to work. Instead, the influence of Ted has given the business a 12 per cent profit margin and trebled its share price over three years.

Ted Baker, to the extent that he is separate from Mr Kelvin, appears to be a dapper man about town with a quirky sense of humour. Next clothes are too mainstream for him and Paul Smith clobber would be too expensive. This niche is a good one and the company is expanding steadily.

The business, which started as a single shop, is now worth £1.1bn, two-thirds more than overhyped Supergroup. Ted shares are expensive at 35 times future earnings. But they should be a good hold for as long as Mr Kelvin is willing to channel Ted's spirit. The 59-year-old entrepreneur, as a token of youthfulness, claims to have "a full Barnet (head of hair) and a sculptured body". Which is more detail than any of us need, frankly.

### A lot of front

Philistines! Traders ditched Next stock yesterday after the garment retailer downgraded profits forecasts. Almost as if they didn't care that Next Plc is creating what it describes as "beautiful and iconic buildings".

Chief executive Lord Wolfson usually goes off at a tangent at least once in a full-year results statement. This year he did so to extol the "aspirational out-of-town" architecture that the stores group is creating.

That was stretching it a bit, judging from accompanying photos of new stores at Maidstone and High Wycombe. Next appears have attached decent façades to standard brick boxes that retailers lease on retail parks. The Taj Mahal, in contrast, looks good from all angles, not just the front.

### Target numbers

The chancellor bashed the French in his Budget speech, criticising weak growth and harking back to France's defeat at Agincourt 600 years ago. The FT's Sarah Gordon justifiably riposted in a blog that French productivity puts the UK to shame. It was not always thus. Specialised manufacturers supplied 3m arrows to Henry V's highly-trained bowmen, which they shot at three times the enemy's return rate of fire. Agincourt was thus a rare victory for English productivity.

*jonathan.guthrie@ft.com*

Analysis. Retail

# Next warning on slower sales growth takes toll

Fashion retailer's caution hits shares and stokes fears over recovery bypassing high street

ANDREA FELSTED AND KADHIM SHUBBER

Shares in Next fell more than 5 per cent after the fashion retailer warned of slower sales growth this year, despite the improving economic environment for British shoppers.

The retailer yesterday trimmed its expectations of sales growth for the Next brand from between 2.5 per cent and 7.5 per cent to between 1.5 per cent and 5.5 per cent in the year to January 2016.

It also said that it expected pre-tax profit to be between £785m and £835m. Analysts at Citi said this left the consensus of analysts' expectations of £830m looking "potentially generous".

The caution followed a strong year for Next, which has been one of Britain's best-performing retailers, reporting record sales for the financial year just ended.

Coming amid increasing confidence in the UK economy, it will add to fears that the recovery is bypassing the high street.

This week Mike Coupe, chief executive of J Sainsbury, said that while consumers were £10-£11 a week better off, this was largely being spent on items they had forgone during the downturn, such as holidays and some big-ticket electronic items.

Next's shares fell more than 5 per cent, but lifted slightly from the day's lows to end 4 per cent lower at £73.15 by the close of trade yesterday.

For the year ended in January, Next's pre-tax profit came in at the top end of its December estimates, rising 12.5 per cent to £782.2m.

Sales rose 7.2 per cent to £4.03bn, topping £4bn for the first time. Sales at Next Directory, the online business, rose 12.1 per cent to £1.54bn, while store sales were up 4.8 per cent at £2.35bn.

Nick Bubb, independent retail analyst, said that the company's outlook statement was "the sting in the tail" for investors.

Lord Wolfson, chief executive, said while the outlook for consumers was "benign", the next few months compared with an "amazing" period a year ago, when not only did Next's fashion hit all the right notes but Britain enjoyed a bout of early good weather.

He said that, unusually for a fashion retailer, Next had got its ranges right in the earlier period across all of the areas in which it traded — womenswear, menswear, childrenswear and home furnishing.

This year, the situation had returned to a more normal pattern, with some collections "not as strong as they were at this point last year".

He did not specify which products had fallen short.

Lord Wolfson said that trading could improve later in the year, as the comparative performance in the second half of 2014-15 was weaker, particularly in the third quarter when the unusually warm weather hurt demand for winter collections.

He said that Next was forecasting full-price sales growth for the first half to be flat to 3 per cent higher, with the second half up between 3.5 per cent and 7.5 per cent. While this would be "very respectable by most standards", he acknowledged that this was "low by comparison to Next's historical performance".

Richard Hyman, the independent analyst who runs the Richard Talks Retail website, said many retail forecasts for this year were too optimistic, with the industry grappling with weak demand, price deflation in most areas and too much retail capacity. "There is no doubt that this year will be the most challenging for some time," he said.

In contrast, Ted Baker's chief executive Ray Kelvin dismissed talk of tough trading in the year ahead and said that the company was not "downbeat at all".

Pre-tax profits at the fashion label increased 25.3 per cent to £48.8m for the 53 weeks to January 31, as the company avoided the warm autumn woes of other retailers and reported record revenues of £231.8m, up 16.7 per cent. "The UK has been kind to us. We're not looking for inordinate growth in the UK and our stores are performing well," said Mr Kelvin, adding that the company was focused on expansion overseas.

**See Lex and Lombard**


The Next at Trinity Leeds mall. Below, models clad in Ted Baker, which has posted record revenues — Nigel Roddis/Reuters

**£48.8m** Pre-tax profits at Ted Baker for the 53 weeks to January 31

**£231.8m** Figure, a record, for Ted Baker's revenues — up 16.7%





Oil & gas

## EnQuest vows to cut costs

MICHAEL KAVANAGH

**EnQuest, the North Sea oil operator, promised to boost investment and cut production costs as its chief executive hailed newly announced cuts in UK taxes on oil producers.**

The group, which was forced to renegotiate its banking covenants in January, gave a positive outlook even as it booked nearly $700m of impairments on two key fields and fell into a full-year pre-tax loss of $579m. Shares in the company, though still down over the past year, rose 20 per cent to 40.50p yesterday.

Amjad Bseisu, chief executive, said that EnQuest remained in a strong position to proceed with further investment in flagship developments in UK waters with the backing of its lenders. EnQuest plans to spend about $600m on capital investment this year. He said that EnQuest, one of the North Sea's largest independent operators, had enjoyed a good operational performance in the face of a collapse in oil prices. Brent crude, which sold for as much as $115 per barrel last year, traded at $54.51 yesterday.

Mr Bseisu said he expected production volumes to rise by about a quarter in 2015, compared with last year's average oil output of 28,000 barrels per day.

It remains on track to relaunch production from the previously abandoned Alma field — the UK's first commercial oil development — later this year.

Mr Bseisu welcomed the decision, announced in the Budget, to unravel the £2bn tax rise imposed on North Sea operators in 2011. He had warned at the time the tax would deter investment.

# City Insider

Edited by Harriet Agnew
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### Harding and Hohn
**Talking taxes**

Now that the dust has settled on the pre-election Budget, it is worth remembering how attitudes towards tax among the top earners continue to divide opinion. City Insider recalls a mild contretemps a couple of years ago between two of London's hedge fund titans: Chris Hohn, founder of The Children's Investment Fund, and Winton Capital's founder, David Harding. Hohn, known as much for talking tough with company CEOs as for giving large amounts of his profits to charity, buttonholed Harding at a party. Harding had just made the news for being the UK's highest taxpayer: he had earned an income of £87m in 2011 and paid an annual tax bill of £34m. This was foolish, said Hohn. Governments could not be trusted to spend the money wisely on improving society. Individuals knew best. Harding begged to differ, citing civic duty. The chancellor, who wants to raise £3.1bn from cracking down on tax avoidance, definitely agrees.

### Austin Mitchell MP
**Bank robbery**

Austin Mitchell (pictured), the soon to retire firebrand MP for Great Grimsby, isn't going quietly. He used his swansong speech to the House of Commons to tell a story, "an everyday story of business folk who have been robbed of their

company by big banks acting in collusion with one of the big four accountancy houses". Safe in the cloak of parliamentary privilege, Mitchell accused Lloyds Banking Group and PwC of being "two sets of robbers" stealing a business from under the nose of one of their clients — a Mr Keith Elliot of Premier Motor Auctions. The £170m turnover company was put into administration back in 2009 despite being profitable, according to Mitchell. The MP made much in the speech about whether parliament or the courts is the correct place to air grievances such as those held by Mr Elliot. Well it's now been aired in parliament. City Insider hears it may soon be aired in the courts too.

### Holcim/Lafarge
**Winner's curse**

Beware the curse of the industry awards. The €40bn merger between cement companies Lafarge and Holcim was named 2014 European M&A deal of the year by trade mag Mergermarket. This week bankers for both sides fought to salvage the deal, amid heated negotiations over who will lead the combined company. Holcim (advised by Goldman Sachs) and Lafarge (advised by Zaoui & Co and Rothschild) are battling over a new share-exchange ratio, after Lafarge has underperformed its Swiss rival. It's not certain that the merger, announced last April, will survive. If they salvage the deal, maybe they can win again next year.

### HSBC
**Fighting fires**

HSBC has a new global head of comms. The man for the job — one of the toughest roles in financial PR — is Médard Schoenmaeckers, who has been at the bank for almost three years. HSBC is fighting fires on every front. The bank is at the centre of a tax-evasion scandal. Its executives got a roasting on the public accounts committee last week from Labour MP Margaret Hodge and her colleagues. And in the pre-election Budget, George Osborne revealed a one-third jump in the levy charged on banks' balance sheets. Given that HSBC already pays more than a third of the overall levy, it's basically an HSBC tax. Schoenmaeckers is well prepared for the role: before his promotion he was global head of communications for HSBC's private bank in Switzerland.

## UK COMPANIES

Analysis. Banks

# Focus on Barclay brothers' debt shake-up with HSBC

Restructuring involved bank at time when Telegraph faced claims over coverage of group

SALLY GAINSBURY

The Barclays' retail business revamped a £1.25bn securitisation programme crucial to a business including Littlewoods and Very.co.uk — Simon Dawson/Bloomberg

The retail business owned by Sir David and Sir Frederick Barclay restructured a £1.25bn debt securitisation programme involving HSBC in the period when the Daily Telegraph, their newspaper, is alleged to have discouraged negative stories about the bank, the Financial Times can reveal from a review of financial filings.

The securitisation programme repackaged and sold on the debt of customers who bought goods on credit from the stores and websites owned by the brothers' Shop Direct group. But between October 2012 and September 2013, the borrowing costs of the programme soared after the main buyer of its notes ran into funding difficulties.

The securitisation programme is vital to the Shop Direct business, which includes Littlewoods and Very.co.uk. The group posted turnover from retail sales and financial services of £1.7bn in the year to June 2013.

It said in its June 2013 accounts that "a significant majority" of its customers made purchases using credit provided by the group.

The Barclay brothers are intensely private about their financial affairs. A filing on the Jersey Stock Exchange reveals that in the financial year October 2012 to September 2013, the securitisation programme had a 72 per cent increase in borrowing costs. The costs rose after Zephyr Funding Limited, a special purpose vehicle scheduled to be the biggest purchaser of its loan notes, was unable to fund itself on the commercial paper market and had to draw on its liquidity facility. This resulted in increased costs for Zephyr, which were passed back to Shop Direct's financing subsidiaries.

The filing also shows that HSBC participated in the programme starting in 2008 through its special purpose vehicle Regency Assets. By the time the costs had increased, Regency Assets was purchasing up to £200m of the repackaged loan notes, roughly one-fifth of the total, on a rolling basis. HSBC, alongside Kebnekaise Funding, another special purpose vehicle sponsored by SEB, the Nordic bank, was the programme's longest-standing funder.

Following Zephyr's funding issues, the programme was refinanced and restructured on November 20, 2013. Within weeks, Zephyr's directors completed their first filings in the Jersey registry to wind up the vehicle.

The timing of the securitisation programme's increased borrowing costs in 2013 and the November 2013 restructuring date coincided with the period

The brothers are owners of the Shop Direct retail business

during which Peter Oborne, the Telegraph's former chief political commentator, alleges that the newspaper avoided or played down negative stories about HSBC.

Regency Assets continues to participate in the restructured programme under which Shop Direct can issue £1bn of Class A variable funding notes.

As of November 2013, Royal Bank of Scotland, Kebnekaise Funding as well as Barclays and Deutsche Bank were signed up to take part in the restructured programme, with Deutsche operating through RM Sussex, a special purpose vehicle. The restructured programme was originally due to last until December 1 2016 but has been extended to December 2017. Royal Bank of Canada joined the list of funders in November.

For HSBC, the funds it provides to the Shop Direct securitisation programme are in addition to its £242m loan to Yodel Logistics, a parcel delivery company also owned by the Barclays, that was arranged in December 2012. That was shortly after the business was split from Shop Direct in June 2012.

Last month, Mr Oborne resigned and alleged that a November 2012 investigation into HSBC's operations in Jersey had been prematurely ended when "lawyers for the Barclay brothers became closely involved".

In a widely reported blog post for OpenDemocracy, he said that critical stories about the bank were discouraged from the start of 2013 onwards. Mr Oborne alleged that this was linked to the newspaper's advertising contract with HSBC, and said a former Telegraph executive had described the bank as "the advertiser you literally cannot afford to offend".

The Telegraph rejected Mr Oborne's allegations, saying "the distinction between advertising and our award-winning editorial operation has always been fundamental to our business. We utterly reject any allegation to the contrary."

Barclay brothers and Shop Direct said: "For anyone that understands financial markets or media to think that the editorial decisions of a newspaper can possibly influence the credit committee of a large multinational bank . . . is misguided and just plain wrong. Shop Direct's securitisation programme . . . currently has six large, quality banks, of which HSBC is not the largest lender." Shop Direct would "continue to show profitable growth".

HSBC referred to evidence that Stuart Gulliver, chief executive of HSBC, gave to the Commons Treasury committee shortly after Mr Oborne's accusation. He stated that the bank had never put any pressure on the Telegraph "because we realised that having a free and vibrant press creates the very body of those publications that supports our advertising and therefore makes them credible for our clients".

Media

# Shares in car classifieds website Auto Trader up 13.5% on market debut

NATHALIE THOMAS

**Shares in Auto Trader Group, the company behind the UK's largest car classifieds website, have shot up 13.5 per cent on their market debut.**

The company priced its stock market flotation at 235p a share, initially giving it a market capitalisation of £2.35bn.

The shares jumped to 266.5p in early trading, hitting a value of £2.6bn, before closing at 256p.

Private equity group Apax Partners took full control of Auto Trader by buying a 50.1 per cent stake in the business from Guardian Media Group last year.

The stake sale valued Auto Trader at the time at £1.75bn.

The group was traditionally known for its magazine filled with adverts for second-hand cars, but it closed its print operations in 2013 and transformed itself into an online marketplace for second-hand vehicles.

Apax had been eying a sale of the company to US buyout group Hellman & Friedman for about £2bn but has instead pressed ahead with an initial public offering — the latest example of private equity sellers pursuing a dual-track process to secure a better price.

Apax will raise more than £930m through the sale of 590m shares, or 59 per cent of the company.

If demand for shares is high, a further 88.5m shares could be sold through an overallotment option, which would raise a further £208m for the private equity heavyweight. The IPO will allow Auto Trader to raise £437m, after fees and expenses, which will be put towards paying down debt, including loans to Apax.

Auto Trader is expected to drive into the FTSE 250 the next time the index is reconstituted.

Guardian Media Group had been a joint venture partner in Auto Trader with Apax since 2007, but the publisher of The Guardian and The Observer newspapers sold its remaining stake in the business last year.

In the year to March 2014, Auto Trader increased revenues 8.6 per cent to £237.7m, although operating profits dropped 10 per cent to £98.7m, after a number of restructuring costs and impairments.

Excluding exceptional costs, profits increased by 8.7 per cent during the year.

Auto Trader is predominantly focused on the UK and Ireland after selling businesses in Italy, the Netherlands and South Africa.

Travel & leisure

# Ryanair says transatlantic statement was a mistake

JANE WILD AND PEGGY HOLLINGER

**Ryanair admitted yesterday that it had made a mistake in stating that its board had approved plans to start a transatlantic airline.**

Michael O'Leary, the Irish airline's outspoken chief executive, told the Financial Times that Ryanair had "f***** up". "It was a miscommunication," he said.

The U-turn came after the FT reported on Monday Ryanair's board had approved plans for a transatlantic airline, quoting a company statement.

"The board of Ryanair, like any Plc, have approved the business plans for future growth, including transatlantic. We are talking to manufacturers about long-haul aircraft but can't comment further on this," Ryanair was quoted as saying in the FT article.

Several media organisations followed up the article, and Mr O'Leary said he was surprised the story had "such legs".

Mr O'Leary said that nobody had been around at Ryanair on Tuesday to retract the company statement issued to the FT because it was St Patrick's day.

On Wednesday and yesterday he had been travelling and it was not until yesterday morning when he had a quarterly board meeting in Milan that the subject arose.

In a statement to the stock exchange

> 'It is a concept that has been talked about for a very long time with very little progress'

yesterday, Ryanair said that its board had not approved the project after all.

"In the light of recent press coverage, the board of Ryanair Holdings Plc wishes to clarify that it has not considered or approved any transatlantic project and does not intend to do so," Ryanair said.

Gerald Khoo, analyst at Liberum, said he had been sceptical about Ryanair's earlier statement and was not surprised at the U-turn. "It is a concept that has been talked about for a very long time with very little progress. There is clarity for investors," he added.

Mr O'Leary has talked for years about launching a transatlantic airline offering cheap fares, but admitted the project is dependent on striking a deal with an aircraft manufacturer for long-haul jets.

Airbus and Boeing have notched up a lot of orders for their new generation of fuel-efficient wide-body jets, which means Ryanair could have to wait many years for such aircraft if it placed an order with one of them.

Yesterday, Mr O'Leary confirmed Ryanair wanted to pursue the project, and was in talks with aircraft makers. He said it would have been impossible for Ryanair's board to approve the project because the transatlantic airline would involve a separate company.

## Legal Notices

# MARKET DATA

## WORLD MARKETS AT A GLANCE
FT.COM/MARKETSDATA

Change during previous day's trading (%)

| S&P 500 | Nasdaq Composite | Dow Jones Ind | FTSE 100 | FTSE Eurofirst 300 | Nikkei | Hang Seng | FTSE All World $ | $ per € | $ per £ | ¥ per $ | £ per € | Oil Brent $ Sep | Gold $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| -0.49% | 0.19% | -0.65% | 0.25% | 0.46% | -0.35% | 1.45% | -0.07% | -0.188% | 0.272% | 0.025% | -0.552% | -3.56% | 1.63% |

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

### AMERICAS
Feb 20 - Mar 19

S&P 500 — New York: 2,099.68 / 2,089.27. Day -0.49% Month -0.50% Year 11.59%

Nasdaq Composite — New York: 4,906.36 / 4,992.38. Day 0.19% Month 1.75% Year 15.21%

Dow Jones Industrial — New York: 18,029.85 / 17,959.03. Day -0.65% Month -0.39% Year 9.93%

S&P/TSX COMP — Toronto: 15,212.75 / 14,873.93. Day -0.59% Month -2.02% Year 3.77%

IPC — Mexico City: 43,251.79 / 44,118.17. Day -0.55% Month 2.05% Year 13.67%

Bovespa — São Paulo: 51,294.03 / 50,953.53. Day -1.11% Month -0.66% Year 9.42%

### EUROPE
Feb 20 - Mar 19

FTSE 100 — London: 6,898.08 / 6,962.32. Day 0.25% Month 1.22% Year 6.08%

FTSE Eurofirst 300 — Europe: 1,515.90 / 1,597.56. Day 0.46% Month 5.13% Year 22.45%

CAC 40 — Paris: 4,799.03 / 5,037.18. Day 0.07% Month 4.96% Year 16.78%

Xetra Dax — Frankfurt: 10,961.00 / 11,899.40. Day -0.20% Month 8.16% Year 28.27%

Ibex 35 — Madrid: 10,805.30 / 11,091.00. Day 0.37% Month 2.64% Year 10.34%

FTSE MIB — Milan: 21,659.33 / 22,805.17. Day 1.06% Month 4.66% Year 8.72%

### ASIA
Feb 20 - Mar 19

Nikkei 225 — Tokyo: 18,199.17 / 19,476.56. Day -0.35% Month 7.02% Year 35.15%

Hang Seng — Hong Kong: 24,726.53 / 24,468.89. Day 1.45% Month -1.46% Year 13.37%

Shanghai Composite — Shanghai: 3,157.70 / 3,582.27. Day 0.14% Month 10.33% Year 76.89%

Kospi — Seoul: 1,961.45 / 2,037.89. Day 0.47% Month 3.90% Year 5.03%

FTSE Straits Times — Singapore: 3,427.16 / 3,386.16. Day NaN% Month NaN% Year NaN%

BSE Sensex — Mumbai: 29,135.88 / 28,469.67. Day -0.53% Month -2.90% Year 30.40%

| Country | Index | Mar 19 | Mar 18 |
|---|---|---|---|
| Argentina | Merval | 11148.53 | 11275.34 |
| Australia | All Ordinaries | 5912.50 | 5808.00 |
| | S&P/ASX 200 | 5950.80 | 5842.30 |
| | S&P/ASX 200 Res | 3424.70 | 3377.00 |
| Austria | ATX | 2510.19 | 2481.81 |
| Belgium | BEL 20 | 3734.35 | 3727.92 |
| | BEL Mid | 5534.69 | 5515.46 |
| Brazil | Bovespa | 50953.53 | 51526.19 |
| Canada | S&P/TSX 60 | 869.75 | 874.74 |
| | S&P/TSX Comp | 14873.93 | 14962.24 |
| | S&P/TSX Met & Min | 651.28 | 660.51 |
| Chile | IGPA Gen | 18846.60 | 18862.47 |
| China | FTSE A200 | 10021.16 | 10044.90 |
| | FTSE B35 | 10847.75 | 10847.41 |
| | Shanghai A | 3754.32 | 3749.12 |
| | Shanghai B | 304.69 | 304.12 |
| | Shanghai Comp | 3582.27 | 3577.30 |
| | Shenzhen A | 1911.45 | 1901.48 |
| | Shenzhen B | 1127.37 | 1127.40 |
| Colombia | COLCAP | 1304.89 | 1288.60 |
| Croatia | CROBEX | 1736.21 | 1740.04 |
| Cyprus | CSE M&P Gen | 78.57 | 78.66 |
| Czech Republic | PX | 1042.55 | 1030.86 |
| Denmark | OMXC Copenahgen 20 | 913.13 | 909.78 |
| Egypt | EGX 30 | 9484.08 | 9561.33 |
| Estonia | OMX Tallinn | 860.99 | 869.55 |
| Finland | OMX Helsinki General | 9198.63 | 9135.04 |
| France | CAC 40 | 5037.18 | 5033.42 |
| | SBF 120 | 3964.89 | 3960.24 |
| Germany | M-DAX | 20786.38 | 20681.64 |
| | TecDAX | 1639.73 | 1627.77 |
| | XETRA Dax | 11899.40 | 11922.77 |
| Greece | Athens Gen | 723.66 | 737.96 |
| | FTSE/ASE 20 | 214.29 | 218.48 |
| Hong Kong | Hang Seng | 24468.89 | 24120.08 |
| | HS China Enterprise | 12122.20 | 11981.97 |
| | HSCC Red Chip | 4471.03 | 4463.24 |
| Hungary | Bux | 18915.74 | 18522.42 |
| India | BSE Sensex | 28469.67 | 28622.12 |
| | S&P CNX 500 | 7096.75 | 7137.05 |
| Indonesia | Jakarta Comp | 5453.85 | 5413.15 |
| Ireland | ISEQ Overall | 6076.70 | 6075.40 |
| Israel | Tel Aviv 100 | 13.90 | 13.75 |
| Italy | FTSE Italia All-Share | 24317.26 | 24071.51 |
| | FTSE Italia Mid Cap | 31993.45 | 31725.55 |
| | FTSE MIB | 22805.17 | 22565.19 |
| Japan | 2nd Section | 4703.52 | 4719.28 |
| | Nikkei 225 | 19476.56 | 19544.48 |
| | S&P Topix 150 | 1325.28 | 1330.04 |
| | Topix | 1575.81 | 1582.46 |
| Jordan | Amman SE | 2167.95 | 2157.79 |
| Kenya | NSE 20 | 5346.56 | 5342.36 |
| Kuwait | KSX Market Index | 6435.43 | 6395.44 |
| Latvia | OMX Riga | 433.88 | 434.11 |
| Lithuania | OMX Vilnius | 489.67 | 490.65 |
| Luxembourg | LuxX | 1736.65 | 1741.45 |
| Malaysia | FTSE Bursa KLCI | 1809.13 | 1797.57 |
| Mexico | IPC | 44118.17 | 44360.87 |
| Morocco | MASI | 10340.28 | 10426.40 |
| Netherlands | AEX | 496.01 | 496.63 |
| | AEX All Share | 753.32 | 753.49 |
| New Zealand | NZX 50 | 5859.40 | 5846.66 |
| Nigeria | SE All Share | 29434.46 | 29553.69 |
| Norway | Oslo All Share | 657.38 | 660.22 |
| Pakistan | KSE 100 | 31451.62 | 31524.98 |
| Philippines | Manila Comp | 7814.55 | 7756.58 |
| Poland | Wig | 54148.48 | 53364.63 |
| Portugal | PSI 20 | 5871.55 | 5822.42 |
| | PSI General | 2592.77 | 2574.66 |
| Romania | BET Index | 6977.29 | 6955.72 |
| Russia | Micex Index | 1607.97 | 1632.12 |
| | RTX | 847.99 | 841.05 |
| Saudi-Arabia | TADAWUL All Share Index | 9174.41 | 9133.87 |
| Singapore | FTSE Straits Times | - | - |
| Slovakia | SAX | 243.04 | 243.41 |
| Slovenia | SBI TOP | 806.67 | 808.87 |
| South Africa | FTSE/JSE All Share | 52741.02 | 52187.48 |
| | FTSE/JSE Res 20 | 41731.30 | 40589.77 |
| | FTSE/JSE Top 40 | 46699.35 | 46181.04 |
| South Korea | Kospi | 2037.89 | 2028.45 |
| | Kospi 200 | 258.99 | 258.22 |
| Spain | IBEX 35 | 11091.00 | 11050.00 |
| Sri Lanka | CSE All Share | 7046.70 | 7043.90 |
| Sweden | OMX Stockholm 30 | 1707.50 | 1703.96 |
| | OMX Stockholm AS | 550.35 | 548.46 |
| Switzerland | SMI Index | 9328.48 | 9256.24 |
| Taiwan | Weighted Pr | 9736.73 | 9653.43 |
| Thailand | Bangkok SET | 1532.13 | 1531.50 |
| Turkey | BIST 100 | 79942.27 | 79478.36 |
| UAE | Abu Dhabi General Index | 4337.63 | 4280.07 |
| UK | FT 30 | 3034.00 | 3021.80 |
| | FTSE 100 | 6962.32 | 6945.20 |
| | FTSE 4Good UK | 6215.64 | 6192.19 |
| | FTSE All Share | 3758.09 | 3747.38 |
| | FTSE techMARK 100 | 3895.10 | 3893.08 |
| USA | DJ Composite | 6450.92 | 6483.84 |
| | DJ Industrial | 17959.03 | 18076.19 |
| | DJ Transport | 9118.86 | 9118.95 |
| | DJ Utilities | 590.91 | 596.84 |
| | Nasdaq 100 | 4426.82 | 4422.50 |
| | Nasdaq Cmp | 4992.38 | 4982.83 |
| | NYSE Comp | 10931.37 | 11019.72 |
| | Russell 2000 | 1204.70 | 1213.05 |
| | S&P 500 | 2089.27 | 2099.50 |
| | Wilshire 5000 | 22135.81 | 22216.60 |
| Venezuela | IBC | 4704.73 | 4668.42 |
| Vietnam | VNI | 573.74 | 578.68 |
| Cross-Border | DJ Global Titans ($) | 238.89 | 239.88 |
| | Euro Stoxx 50 (Eur) | 3670.73 | 3668.52 |
| | Euronext 100 ID | 989.27 | 988.90 |
| | FTSE 4Good Global ($) | 5672.22 | 5676.78 |
| | FTSE All World | 281.23 | 281.42 |
| | FTSE E300 | 1597.56 | 1590.25 |
| | FTSE Eurotop 100 | 3198.65 | 3184.05 |
| | FTSE Global 100 ($) | 1340.99 | 1344.60 |
| | FTSE Gold Min ($) | 1144.41 | 1124.32 |
| | FTSE Latibex Top (Eur) | 3336.60 | 3321.50 |
| | FTSE Multinationals ($) | 1562.29 | 1544.86 |
| | FTSE World ($) | 496.70 | 497.21 |
| | FTSEurofirst 100 (Eur) | 4599.74 | 4588.81 |
| | FTSEurofirst 80 (Eur) | 4906.54 | 4905.45 |
| | MSCI ACWI Fr ($) | 426.85 | 422.69 |
| | MSCI All World ($) | 1754.10 | 1736.63 |
| | MSCI Europe (Eur) | 1546.65 | 1542.67 |
| | MSCI Pacific ($) | 2478.36 | 2472.56 |
| | S&P Euro (Eur) | 1608.15 | 1606.11 |
| | S&P Europe 350 (Eur) | 1637.84 | 1629.33 |
| | S&P Global 1200 ($) | 1939.60 | 1957.81 |
| | Stoxx 50 (Eur) | 3467.13 | 3449.75 |

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

## STOCK MARKET: BIGGEST MOVERS

### AMERICA

| ACTIVE STOCKS | stock traded m's | close price | Day's change |
|---|---|---|---|
| Apple | 56.9 | 127.50 | -0.98 |
| Facebook Class A | 33.7 | 82.75 | 1.84 |
| Medtronic | 26.6 | 106.71 | -1.36 |
| Albertsons Llc | 18.4 | 35.10 | -0.04 |
| Allergan | 18.0 | 240.22 | 2.88 |
| Bank Of America | 16.9 | 15.61 | -0.37 |
| Tesla Motors | 14.1 | 195.65 | -5.06 |
| Microsoft | 13.8 | 42.29 | -0.22 |
| Actavis | 11.3 | 314.41 | 0.46 |
| Carefusion | 11.2 | 59.91 | -0.06 |

| BIGGEST MOVERS | Close price | Day's change | Day's chng% |
|---|---|---|---|
| **Ups** | | | |
| Wynn Resorts Ltd | 130.11 | 7.19 | 5.85 |
| Urban Outfitters | 46.70 | 1.60 | 3.55 |
| Vertex Pharmaceuticals | 134.25 | 4.46 | 3.44 |
| Delta Air Lines | 47.26 | 1.45 | 3.17 |
| Red Hat | 69.18 | 2.11 | 3.15 |
| **Downs** | | | |
| Transocean | 14.16 | -1.09 | -7.15 |
| United States Steel | 22.13 | -1.70 | -7.13 |
| Nucor | 46.10 | -3.17 | -6.43 |
| Southwestern Energy | 22.27 | -1.39 | -5.87 |
| Denbury Resources | 7.50 | -0.45 | -5.66 |

Based on the constituents of the S&P500 and the Nasdaq 100 index

### LONDON

| ACTIVE STOCKS | stock traded m's | close price | Day's change |
|---|---|---|---|
| British American Tobacco | 218.2 | 3668.00 | -128.00 |
| Glaxosmithkline | 208.1 | 1630.00 | 6.50 |
| Vodafone | 185.7 | 225.90 | 0.15 |
| Bp | 164.0 | 440.90 | 4.80 |
| Royal Dutch Shell | 162.9 | 2042.00 | 19.50 |
| Rio Tinto | 151.0 | 2845.50 | 15.00 |
| Bhp Billiton | 150.0 | 1485.50 | 27.50 |
| Hsbc Holdings | 149.8 | 577.10 | -2.20 |
| Astrazeneca | 137.3 | 4785.50 | 35.50 |
| Lloyds Banking | 126.3 | 79.50 | 0.00 |

| BIGGEST MOVERS | Close price | Day's change | Day's chng% |
|---|---|---|---|
| **Ups** | | | |
| Soco Int | 160.10 | 12.20 | 8.25 |
| Premier Oil | 146.70 | 10.90 | 8.03 |
| Indivior | 201.90 | 11.40 | 5.98 |
| Acacia Mining | 248.00 | 13.10 | 5.58 |
| Fresnillo | 679.00 | 35.00 | 5.43 |
| **Downs** | | | |
| Brit | 278.50 | -26.20 | -8.60 |
| Lancashire Holdings | 632.50 | -47.00 | -6.92 |
| Hiscox Ltd | 805.00 | -43.00 | -5.07 |
| Next | 7315.00 | -305.00 | -4.00 |
| British American Tobacco | 3668.00 | -128.00 | -3.37 |

Based on the constituents of the FTSE 350 index

### EURO MARKETS

| ACTIVE STOCKS | stock traded m's | close price | Day's change |
|---|---|---|---|
| Bbva | 662.0 | 9.07 | 0.05 |
| Siemens Ag Na | 583.5 | 105.35 | 0.00 |
| Santander | 576.1 | 6.49 | 0.03 |
| Roche Gs | 537.8 | 254.15 | 0.00 |
| Enel | 535.5 | 4.26 | 0.14 |
| Nestle N | 533.5 | 72.29 | 0.00 |
| Novartis N | 523.4 | 93.21 | 0.00 |
| Telefonica | 511.0 | 13.06 | -0.14 |
| Unicredit | 463.7 | 6.20 | 0.13 |
| Daimler Ag Na O.n. | 460.2 | 89.91 | 0.00 |

| BIGGEST MOVERS | Close price | Day's change | Day's chng% |
|---|---|---|---|
| **Ups** | | | |
| Enel | 4.26 | 0.14 | 3.34 |
| Peugeot | 15.59 | 0.44 | 2.87 |
| Valeo | 139.45 | 3.80 | 2.80 |
| Galp Energia-nom | 9.91 | 0.25 | 2.58 |
| Omv Ag | 24.58 | 0.62 | 2.57 |
| **Downs** | | | |
| Piraeus Bank (cr) | 0.34 | -0.01 | -3.94 |
| Norsk Hydro | 4.86 | -0.13 | -2.70 |
| Orkla | 7.14 | -0.16 | -2.15 |
| Enel Green Power | 1.79 | -0.04 | -2.13 |
| National Bank (cr) | 1.02 | -0.02 | -1.92 |

Based on the constituents of the FTSEurofirst 300 Eurozone index

### TOKYO

| ACTIVE STOCKS | stock traded m's | close price | Day's change |
|---|---|---|---|
| Toyota Motor | 1036.5 | 8491.00 | 28.00 |
| Mitsubishi Ufj Fin, | 796.2 | 785.00 | -21.60 |
| Softbank . | 640.2 | 7032.00 | 46.00 |
| Fanuc | 526.7 | 27795.00 | 365.00 |
| Sony | 485.4 | 3381.00 | -29.00 |
| Sumitomo Mitsui Fin, | 400.6 | 4828.00 | -58.50 |
| Mizuho Fin, | 319.7 | 221.90 | -1.80 |
| Fast Retailing Co., | 273.6 | 45475.00 | -665.00 |
| Mitsui & Co., | 236.5 | 1655.50 | 2.50 |
| Canon . | 222.7 | 4122.00 | -12.00 |

| BIGGEST MOVERS | Close price | Day's change | Day's chng% |
|---|---|---|---|
| **Ups** | | | |
| Nitto Denko | 8028.00 | 251.00 | 3.23 |
| Citizen Holdings Co., | 882.00 | 21.00 | 2.44 |
| Tosoh | 594.00 | 14.00 | 2.41 |
| Ricoh , | 1295.50 | 28.50 | 2.25 |
| Sharp | 238.00 | 5.00 | 2.15 |
| **Downs** | | | |
| Mitsumi Electric Co., | 932.00 | -36.00 | -3.72 |
| Nippon Suisan Kaisha, | 371.00 | -13.00 | -3.39 |
| Alps Electric Co., | 3015.00 | -100.00 | -3.21 |
| Kirin Holdings , | 1643.00 | -50.00 | -2.95 |
| Taiyo Yuden Co., | 1732.00 | -51.00 | -2.86 |

Based on the constituents of the Nikkei 225 index

## UK MARKET WINNERS AND LOSERS

| FTSE 100 | Mar 19 price(p) | %Chg week | %Chg ytd |
|---|---|---|---|
| **Winners** | | | |
| Marks And Spencer | 531.50 | 7.6 | 11.0 |
| Standard Chartered | 1050.50 | 7.3 | 9.1 |
| Easyjet | 1855.00 | 7.1 | 11.0 |
| British Land | 862.00 | 7.1 | 10.9 |
| Astrazeneca | 4785.50 | 6.8 | 5.0 |
| Hargreaves Lansdown | 1189.00 | 6.4 | 17.5 |
| Centrica | 256.60 | 6.3 | -8.0 |
| Land Securities | 1272.00 | 6.2 | 9.9 |
| Kingfisher | 374.40 | 6.1 | 10.0 |
| Coca-cola Hbc Ag | 1176.00 | 6.0 | -4.2 |
| Prudential | 1752.00 | 5.5 | 17.4 |
| United Utilities | 951.00 | 5.4 | 3.8 |
| **Losers** | | | |
| Royal Bank Of Scotland | 348.50 | -3.2 | -11.6 |
| Crh | 1751.00 | -3.1 | 13.4 |
| Anglo American | 1046.00 | -3.1 | -12.9 |
| Weir | 1779.00 | -2.6 | -3.9 |
| Morrison (wm) Supermarkets | 205.20 | -1.2 | 11.4 |
| Next | 7315.00 | -1.1 | 7.3 |
| Experian | 1130.00 | -1.1 | 3.9 |
| Sports Direct Int | 649.00 | -0.8 | -8.7 |
| Antofagasta | 695.00 | -0.8 | -7.6 |
| Barclays | 252.80 | -0.7 | 3.8 |
| Rio Tinto | 2845.50 | -0.4 | -5.2 |
| Glencore | 285.75 | 0.0 | -4.4 |

| FTSE 250 | Mar 19 price(p) | %Chg week | %Chg ytd |
|---|---|---|---|
| **Winners** | | | |
| Indivior | 201.90 | 14.7 | 35.1 |
| Lonmin | 125.70 | 13.6 | -29.3 |
| Spire Healthcare | 374.60 | 13.5 | -1.4 |
| Diploma | 865.50 | 13.1 | 22.1 |
| Ted Baker | 2746.00 | 10.3 | 23.6 |
| Savills | 805.00 | 8.9 | 18.4 |
| Brown (n) | 360.70 | 8.7 | -5.9 |
| Big Yellow | 657.00 | 8.6 | 8.1 |
| Tr Property Investment Trust | 319.00 | 8.6 | 12.1 |
| Card Factory | 293.90 | 8.2 | 3.8 |
| Allied Minds | 668.50 | 7.9 | 82.2 |
| Crest Nicholson Holdings | 441.00 | 7.8 | 13.5 |
| **Losers** | | | |
| Afren | 3.31 | -49.1 | -93.0 |
| Vedanta Resources | 451.70 | -14.4 | -21.4 |
| Brit | 278.50 | -8.2 | 3.0 |
| Serco | 170.60 | -7.1 | 6.2 |
| Ao World | 179.00 | -6.5 | -36.1 |
| Firstgroup | 92.95 | -6.2 | -12.9 |
| Lancashire Holdings | 632.50 | -5.7 | 12.9 |
| Bank Of Georgia Holdings | 1777.00 | -5.1 | -14.4 |
| Alent | 383.90 | -4.9 | 19.6 |
| Cairn Energy | 153.50 | -4.8 | -14.0 |
| Pace | 356.50 | -4.6 | 2.7 |
| Carillion | 330.00 | -4.5 | -1.7 |

| FTSE SmallCap | Mar 19 price(p) | %Chg week | %Chg ytd |
|---|---|---|---|
| **Winners** | | | |
| Hochschild Mining | 83.00 | 33.3 | -5.7 |
| Onesavings Bank | 248.25 | 16.0 | 15.7 |
| Baillie Gifford Shin Nippon | 390.25 | 14.3 | 25.9 |
| Lsl Property Services | 327.50 | 13.7 | 9.9 |
| Tt Electronics | 132.25 | 12.1 | 27.8 |
| Stock Spirits | 228.75 | 11.6 | 4.0 |
| Innovation | 29.00 | 10.5 | -3.3 |
| Cape | 238.50 | 10.4 | -0.8 |
| Foxtons | 210.50 | 9.5 | 31.4 |
| Lamprell | 118.00 | 9.3 | -2.5 |
| Clarkson | 2222.00 | 8.7 | 17.2 |
| Premier Foods | 41.25 | 8.6 | 28.9 |
| **Losers** | | | |
| Mountview Estates | 10250.00 | -12.4 | -2.7 |
| Tribal | 158.00 | -12.2 | -1.7 |
| Goodwin | 2270.00 | -11.8 | -8.8 |
| Charles Taylor | 263.00 | -10.8 | 5.2 |
| Imagination | 226.75 | -10.8 | -1.0 |
| Hardy Oil & Gas | 25.50 | -9.7 | -59.5 |
| Batm Advanced Communications Ltd | 13.00 | -8.0 | -17.5 |
| Huntsworth | 37.75 | -5.6 | -23.0 |
| Utv Media | 165.75 | -5.3 | -5.3 |
| Hogg Robinson | 45.63 | -4.9 | 9.9 |
| Fdm (holdings) | 345.00 | -4.7 | -1.3 |
| Candover Investments | 310.00 | -4.6 | -22.1 |

| Industry Sectors | Mar 19 price(p) | %Chg week | %Chg ytd |
|---|---|---|---|
| **Winners** | | | |
| Real Estate Investment Trusts | 3398.73 | 6.0 | 11.4 |
| Pharmaceuticals & Biotech. | 14529.35 | 5.5 | 14.6 |
| Oil Equipment & Services | 18466.40 | 5.2 | 12.5 |
| Gas Water & Multiutilities | 5914.91 | 4.5 | -3.5 |
| Mobile Telecommunications | 5137.70 | 4.3 | 2.5 |
| Household Goods | 14477.67 | 4.0 | 13.4 |
| Life Insurance | 8866.74 | 4.0 | 17.7 |
| Oil & Gas Producers | 7039.02 | 3.8 | -1.2 |
| Industrial Transportation | 2886.70 | 3.7 | 2.2 |
| Automobiles & Parts | 8770.08 | 3.6 | 9.0 |
| General Financial | 9768.45 | 3.5 | 14.6 |
| Fixed Line Telecommunication | 5239.17 | 3.2 | 14.8 |
| **Losers** | | | |
| Construction & Materials | 4664.89 | -2.1 | 13.0 |
| Industrial Engineering | 9468.90 | 0.4 | 7.1 |
| Mining | 13838.58 | 0.6 | -3.1 |
| Tobacco | 43371.62 | 1.3 | 6.8 |
| Forestry & Paper | 14498.25 | 1.4 | 28.4 |
| Software & Computer Services | 1335.64 | 1.6 | 6.8 |
| Food Producers | 8069.08 | 1.8 | -0.8 |
| Support Services | 6970.84 | 1.9 | 8.4 |
| Aerospace & Defense | 5323.94 | 1.9 | 12.0 |
| Nonlife Insurance | 2113.78 | 1.9 | 9.2 |
| Chemicals | 11620.30 | 1.9 | 2.7 |
| Food & Drug Retailers | 3373.62 | 2.1 | 19.1 |

Based on last week's performance. †Price at suspension.

## CURRENCIES

| Mar 19 | Currency | DOLLAR Closing Mid | DOLLAR Day's Change | EURO Closing Mid | EURO Day's Change | POUND Closing Mid | POUND Day's Change |
|---|---|---|---|---|---|---|---|
| Argentina | Argentine Peso | 8.7920 | 0.0002 | 9.3402 | -0.0174 | 12.9485 | 0.0372 |
| Australia | Australian Dollar | 1.3126 | 0.0060 | 1.3944 | 0.0038 | 1.9331 | 0.0143 |
| Bahrain | Bahrainin Dinar | 0.3770 | - | 0.4005 | -0.0008 | 0.5552 | 0.0016 |
| Bolivia | Bolivian Boliviano | 6.9100 | - | 7.3408 | -0.0138 | 10.1767 | 0.0290 |
| Brazil | Brazilian Real | 3.2926 | 0.0172 | 3.4978 | 0.0117 | 4.8491 | 0.0391 |
| Canada | Canadian Dollar | 1.2744 | -0.0028 | 1.3539 | -0.0055 | 1.8769 | 0.0013 |
| Chile | Chilean Peso | 640.1500 | -1.8600 | 680.0629 | -3.2609 | 942.7835 | -0.0456 |
| China | Chinese Yuan | 6.1961 | -0.0333 | 6.5824 | -0.0478 | 9.1253 | -0.0229 |
| Colombia | Colombian Peso | 2619.2450 | -36.6500 | 2782.5537 | -44.2503 | 3857.5038 | -42.8332 |
| Costa Rica | Costa Rican Colon | 532.6200 | 0.0300 | 565.8285 | -1.0340 | 784.4183 | 2.2789 |
| Czech Republic | Czech Koruna | 25.8357 | 0.1467 | 27.4465 | 0.1045 | 38.0496 | 0.3239 |
| Denmark | Danish Krone | 7.0132 | 0.0099 | 7.4505 | -0.0035 | 10.3288 | 0.0440 |
| Egypt | Egyptian Pound | 7.6301 | - | 8.1058 | -0.0153 | 11.2372 | 0.0320 |
| Hong Kong | Hong Kong Dollar | 7.7601 | 0.0020 | 8.2439 | -0.0134 | 11.4287 | 0.0355 |
| Hungary | Hungarian Forint | 285.7345 | -0.2100 | 303.5498 | -0.7954 | 420.8166 | 0.8905 |
| India | Indian Rupee | 62.5375 | -0.1775 | 66.4367 | -0.3141 | 92.1024 | 0.0017 |
| Indonesia | Indonesian Rupiah | 13035.0000 | -135.0000 | 13847.7304 | -169.7691 | 19197.3584 | -143.5797 |
| Israel | Israeli Shekel | 4.0320 | 0.0074 | 4.2834 | -0.0002 | 5.9381 | 0.0278 |
| Japan | Japanese Yen | 120.9350 | 0.0300 | 128.4752 | -0.2101 | 178.1075 | 0.5515 |
| ..One Month | | 120.9349 | 0.0299 | 128.4752 | -0.2101 | 178.1074 | 0.5513 |
| ..Three Month | | 120.9349 | 0.0297 | 128.4752 | -0.2101 | 178.1072 | 0.5508 |
| ..One Year | | 120.9341 | 0.0282 | 128.4752 | -0.2101 | 178.1074 | 0.5499 |
| Kenya | Kenyan Shilling | 91.9000 | - | 97.6299 | -0.1839 | 135.3461 | 0.3856 |
| Kuwait | Kuwaiti Dinar | 0.3002 | 0.0004 | 0.3189 | -0.0002 | 0.4420 | 0.0018 |
| Malaysia | Malaysian Ringgit | 3.7055 | -0.0020 | 3.9365 | -0.0095 | 5.4573 | 0.0126 |
| Mexico | Mexican Peson | 15.3010 | -0.1307 | 16.2550 | -0.1698 | 22.5346 | -0.1278 |
| New Zealand | New Zealand Dollar | 1.3556 | -0.0029 | 1.4401 | -0.0058 | 1.9964 | 0.0015 |
| Nigeria | Nigerian Naira | 199.0500 | -0.6500 | 211.4606 | -1.0902 | 293.1517 | -0.1194 |
| Norway | Norwegian Krone | 8.0925 | -0.2625 | 8.5971 | -0.2956 | 11.9183 | -0.3515 |
| Pakistan | Pakistani Rupee | 102.0200 | 0.2600 | 108.3809 | 0.0726 | 150.2504 | 0.8099 |
| Peru | Peruvian Nuevo Sol | 3.0945 | -0.0060 | 3.2874 | -0.0126 | 4.5574 | 0.0042 |
| Philippines | Philippine Peso | 44.7200 | -0.0300 | 47.5083 | -0.1214 | 65.8616 | 0.1436 |
| Poland | Polish Zloty | 3.8824 | -0.0116 | 4.1244 | -0.0201 | 5.7177 | -0.0007 |
| Romania | Romanian Leu | 4.1622 | -0.0225 | 4.4217 | -0.0323 | 6.1299 | -0.0156 |
| Russia | Russian Ruble | 59.7325 | -1.2151 | 63.4568 | -1.4129 | 87.9713 | -1.5339 |
| Saudi Arabia | Saudi Riyal | 3.7506 | 0.0000 | 3.9844 | -0.0075 | 5.5236 | 0.0158 |
| Singapore | Singapore Dollar | 1.3897 | 0.0001 | 1.4763 | -0.0027 | 2.0466 | 0.0059 |
| South Africa | South African Rand | 12.3243 | -0.0057 | 13.0927 | -0.0308 | 18.1506 | 0.0433 |
| South Korea | South Korean Won | 1117.1500 | -12.7000 | 1186.8036 | -15.7530 | 1645.2873 | -13.9634 |
| Sweden | Swedish Krona | 8.6900 | -0.0617 | 9.2318 | -0.0831 | 12.7982 | -0.0541 |
| Switzerland | Swiss Franc | 0.9922 | -0.0027 | 1.0541 | -0.0048 | 1.4613 | 0.0003 |
| Taiwan | New Taiwan Dollar | 31.4110 | -0.1380 | 33.3695 | -0.2097 | 46.2607 | -0.0709 |
| Thailand | Thai Baht | 32.7400 | -0.1750 | 34.7813 | -0.2518 | 48.2180 | -0.1196 |
| Tunisia | Tunisian Dinar | 1.9724 | 0.0125 | 2.0954 | 0.0094 | 2.9049 | 0.0267 |
| Turkey | Turkish Lira | 2.6054 | -0.0128 | 2.7678 | -0.0188 | 3.8371 | -0.0078 |
| United Arab Emirates | UAE Dirham | 3.6731 | 0.0001 | 3.9021 | -0.0072 | 5.4095 | 0.0156 |
| United Kingdom | Pound Sterling | 0.6790 | -0.0019 | 0.7213 | -0.0034 | - | - |
| ..One Month | | 0.6790 | -0.0019 | 0.7213 | -0.0034 | - | - |
| ..Three Month | | 0.6789 | -0.0019 | 0.7212 | -0.0034 | - | - |
| ..One Year | | 0.6789 | -0.0020 | 0.7207 | -0.0034 | - | - |
| United States | United States Dollar | - | - | 1.0623 | -0.0020 | 1.4728 | 0.0042 |
| ..One Month | | - | - | 1.0623 | -0.4062 | 1.4727 | 0.0042 |
| ..Three Month | | - | - | 1.0622 | -0.4062 | 1.4727 | 0.0042 |
| ..One Year | | - | - | 1.0615 | -0.4062 | 1.4727 | 0.0042 |
| Venezuela | Venezuelan Bolivar Fuerte | 6.2900 | -0.0025 | 6.6822 | -0.0152 | 9.2636 | 0.0227 |
| Vietnam | Vietnamese Dong | 21485.0000 | -25.0000 | 22824.5885 | -69.6037 | 31642.1651 | 53.4751 |
| European Union | Euro | 0.9413 | 0.0018 | - | - | 1.3863 | 0.0065 |
| ..One Month | | 0.9413 | 0.0018 | - | - | 1.3863 | 0.0065 |
| ..Three Month | | 0.9412 | 0.0018 | - | - | 1.3862 | 0.0065 |
| ..One Year | | 0.9405 | 0.0017 | - | - | 1.3857 | 0.0066 |

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

## FTSE ACTUARIES SHARE INDICES
UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

| | £ Strlg Mar 19 | Day's chge% | Euro Index | £ Strlg Mar 18 | £ Strlg Mar 17 | Year ago | Div yield% | Cover | P/E ratio | X/D adj | Total Return |
|---|---|---|---|---|---|---|---|---|---|---|---|
| FTSE 100 (100) | 6962.32 | 0.25 | 7521.47 | 6945.20 | 6837.61 | 6542.44 | 3.43 | 1.85 | 15.78 | 67.53 | 5307.78 |
| FTSE 250 (250) | 17438.15 | 0.43 | 18838.63 | 17363.74 | 17202.91 | 16217.35 | 2.47 | 2.03 | 19.94 | 45.82 | 11861.86 |
| FTSE 250 ex Inv Co (212) | 18894.52 | 0.40 | 20411.96 | 18818.61 | 18640.94 | 17707.26 | 2.50 | 2.15 | 18.59 | 46.20 | 13100.56 |
| FTSE 350 (350) | 3825.81 | 0.28 | 4133.07 | 3815.28 | 3760.03 | 3588.95 | 3.28 | 1.87 | 16.33 | 32.72 | 5883.22 |
| FTSE 350 ex Investment Trusts (312) | 3804.59 | 0.27 | 4110.14 | 3794.38 | 3738.91 | 3573.28 | 3.30 | 1.88 | 16.13 | 32.92 | 3012.02 |
| FTSE 350 Higher Yield (96) | 3665.79 | 0.21 | 3960.20 | 3658.09 | 3591.70 | 3573.18 | 4.64 | 1.64 | 13.17 | 52.16 | 5731.54 |
| FTSE 350 Lower Yield (254) | 3612.65 | 0.34 | 3902.78 | 3600.30 | 3561.65 | 3250.29 | 1.88 | 2.45 | 21.63 | 9.94 | 3756.65 |
| FTSE SmallCap (289) | 4602.86 | 0.57 | 4972.52 | 4576.60 | 4557.82 | 4492.39 | 2.45 | 1.65 | 24.68 | 23.08 | 6167.99 |
| FTSE SmallCap ex Inv Co (149) | 4029.07 | 0.91 | 4352.65 | 3992.63 | 3980.34 | 4122.71 | 2.32 | 2.37 | 18.22 | 16.56 | 5666.84 |
| FTSE All-Share (639) | 3758.09 | 0.29 | 4059.90 | 3747.38 | 3694.39 | 3529.57 | 3.25 | 1.86 | 16.52 | 31.70 | 5846.87 |
| FTSE All-Share ex Inv Co (461) | 3723.92 | 0.28 | 4022.99 | 3713.50 | 3659.98 | 3502.49 | 3.28 | 1.88 | 16.17 | 31.92 | 2997.16 |
| FTSE All-Share ex Multinationals (573) | 1222.29 | 0.44 | 1094.41 | 1216.99 | 1203.55 | 1149.70 | 2.69 | 2.15 | 17.31 | 3.74 | 2032.60 |
| FTSE Fledgling (97) | 7249.64 | 0.05 | 7831.86 | 7246.09 | 7229.61 | 6742.35 | 2.19 | 1.66 | 27.51 | 26.48 | 12813.23 |
| FTSE Fledgling ex Inv Co (54) | 9156.37 | -0.29 | 9891.73 | 9183.11 | 9176.51 | 8285.51 | 1.54 | 3.46 | 18.69 | 16.22 | 15719.80 |
| FTSE All-Small (386) | 3182.66 | 0.55 | 3438.26 | 3165.31 | 3152.61 | 3097.16 | 2.44 | 1.65 | 24.80 | 15.75 | 5476.93 |
| FTSE All-Small ex Inv Co Index (203) | 2992.09 | 0.86 | 3232.39 | 2966.68 | 2957.88 | 3038.41 | 2.28 | 2.40 | 18.24 | 11.98 | 5332.64 |
| FTSE AIM All-Share Index (834) | 715.26 | -0.04 | 772.71 | 715.52 | 715.61 | 860.10 | 1.35 | 1.46 | 50.71 | 1.48 | 761.42 |
| **FTSE Sector Indices** | | | | | | | | | | | |
| **Oil & Gas (20)** | 7478.96 | 1.19 | 8079.60 | 7390.90 | 7231.12 | 8382.79 | 4.75 | 2.30 | 9.14 | 86.14 | 6018.29 |
| Oil & Gas Producers (13) | 7083.09 | 1.14 | 7651.94 | 7003.16 | 6853.42 | 7898.27 | 4.79 | 2.31 | 9.05 | 84.77 | 5894.39 |
| Oil Equipment Services & Distribution (7) | 18926.48 | 2.49 | 20446.48 | 18466.35 | 17954.35 | 24198.12 | 3.74 | 2.16 | 12.38 | 0.00 | 13347.58 |
| **Basic Materials (29)** | 4662.70 | 1.02 | 5037.16 | 4615.44 | 4635.48 | 5223.27 | 4.13 | 2.54 | 9.53 | 76.51 | 4433.22 |
| Chemicals (7) | 12426.18 | 0.96 | 13424.14 | 12308.27 | 12217.34 | 11501.44 | 2.08 | 2.51 | 19.12 | 22.65 | 10496.93 |
| Forestry & Paper (1) | 15820.25 | -1.03 | 17090.79 | 15984.80 | 15773.24 | 12352.96 | 2.40 | 3.25 | 12.81 | 0.00 | 16077.29 |
| Industrial Metals & Mining (2) | 1954.75 | 4.01 | 2111.73 | 1879.40 | 1873.14 | 957.44 | 0.51 | 13.29 | 14.68 | 0.00 | 1691.84 |
| Mining (19) | 13240.00 | 1.09 | 14303.32 | 13097.20 | 13183.14 | 15394.17 | 4.48 | 2.52 | 8.87 | 251.47 | 6571.68 |
| **Industrials (114)** | 4710.21 | -0.06 | 5088.49 | 4712.83 | 4644.42 | 4546.70 | 2.32 | 1.45 | 29.71 | 12.24 | 4576.07 |
| Construction & Materials (13) | 4833.40 | -0.65 | 5221.58 | 4864.90 | 4684.38 | 4702.59 | 2.96 | 0.25 | 136.23 | 69.99 | 4890.64 |
| Aerospace & Defense (9) | 5513.11 | -0.27 | 5955.87 | 5527.91 | 5451.86 | 5090.20 | 1.98 | 1.30 | 38.71 | 10.10 | 5582.12 |
| General Industrials (6) | 3674.43 | 0.08 | 3969.52 | 3671.65 | 3625.96 | 3441.27 | 3.08 | 1.82 | 17.78 | 0.66 | 3870.54 |
| Electronic & Electrical Equipment (12) | 5545.29 | 0.08 | 5990.63 | 5541.11 | 5501.95 | 5422.82 | 2.06 | 2.10 | 23.12 | 17.69 | 4816.73 |
| Industrial Engineering (14) | 9850.60 | -0.34 | 10641.71 | 9880.06 | 9779.32 | 10816.42 | 2.44 | 2.13 | 19.23 | 8.61 | 11240.71 |
| Industrial Transportation (8) | 4260.55 | -0.46 | 4602.72 | 4280.05 | 4179.31 | 4921.62 | 3.55 | 1.50 | 18.83 | 0.00 | 3447.65 |
| Support Services (52) | 6848.22 | 0.20 | 7398.21 | 6834.89 | 6754.49 | 6511.23 | 2.17 | 1.55 | 29.69 | 9.58 | 6718.36 |
| **Consumer Goods (40)** | 17496.73 | -0.82 | 18901.91 | 17640.87 | 17389.69 | 14823.77 | 2.87 | 1.73 | 20.15 | 196.25 | 12097.09 |

## FT 30 INDEX

| | Mar 19 | Mar 18 | Mar 17 | Mar 16 | Mar 13 | Yr Ago | High | Low |
|---|---|---|---|---|---|---|---|---|
| FT 30 | 3034.00 | 3021.80 | 2982.00 | 2978.40 | 2953.90 | 0.00 | 3021.80 | 2669.30 |
| FT 30 Div Yield | 1.67 | 1.67 | 1.69 | 1.69 | 1.71 | 0.00 | 3.93 | 2.74 |
| P/E Ratio net | 26.79 | 26.73 | 26.35 | 26.35 | 26.08 | 0.00 | 19.44 | 14.26 |

FT 30 since compilation: 4198.4 high: 19/07/1999; low49.4 26/06/1940Base Date: 1/7/35

**FT 30 hourly changes**

| 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | High | Low |
|---|---|---|---|---|---|---|---|---|---|---|
| 3021.8 | 3028.5 | 3025 | 3029.6 | 3030.7 | 3026.3 | 3026.7 | 3032.1 | 3030.1 | 3038 | 3021.7 |

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

## FX: EFFECTIVE INDICES

| | Mar 18 | Mar 17 | Mnth Ago | | Mar 19 | Mar 18 | Mnth Ago |
|---|---|---|---|---|---|---|---|
| Australia | 96.85 | 96.54 | 96.13 | Sweden | 78.17 | 79.02 | 77.55 |
| Canada | 92.33 | 92.37 | 94.13 | Switzerland | 162.00 | 160.93 | 163.15 |
| Denmark | 105.15 | 104.76 | 106.50 | UK | 89.75 | 90.32 | 89.90 |
| Japan | 128.05 | 127.78 | 126.56 | USA | 104.81 | 104.99 | 100.77 |
| New Zealand | 124.55 | 123.94 | 123.90 | Euro | 84.54 | 84.22 | 87.65 |
| Norway | 89.43 | 90.10 | 93.95 | | | | |

Source: Bank of England. New Sterling ERI base Jan 2005 = 100. Other indices base average 1990 = 100. Index rebased 1/2/95. for further information about ERIs see www.bankofengland.co.uk

## FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

| | | | | | |
|---|---|---|---|---|---|
| Forestry & Paper | 27.62 | Industrials | 8.07 | NON FINANCIALS Index | 3.14 |
| Industrial Metals & | 19.21 | Travel & Leisure | 8.01 | Oil Equipment & Serv | 3.01 |
| Tech Hardware & Eq | 16.26 | Nonlife Insurance | 7.86 | FTSE 100 Index | 2.66 |
| Food & Drug Retailer | 15.58 | Electronic & Elec Eq | 7.27 | Leisure Goods | 2.36 |
| Construct & Material | 14.58 | Automobiles & Parts | 7.18 | General Retailers | 2.31 |
| Media | 13.52 | Real Est Invest & Tr | 6.97 | Chemicals | 0.75 |
| Life Insurance | 12.97 | Support Services | 6.42 | Industrial Transport | 0.15 |
| Fixed Line Telecomms | 11.87 | FTSE 250 Index | 6.37 | Mobile Telecomms | -0.73 |
| Technology | 11.39 | Consumer Goods | 6.00 | Health Care Eq & Srv | -0.90 |
| Financial Services | 10.73 | Tobacco | 5.61 | Food Producers | -2.48 |
| Household Goods & Ho | 10.50 | Industrial Eng | 5.54 | Banks | -3.16 |
| Aerospace & Defense | 9.90 | Software & Comp Serv | 4.32 | Basic Materials | -4.32 |
| Pharmace & Biotech | 9.68 | Telecommunications | 3.97 | Mining | -6.03 |
| Consumer Services | 9.38 | FTSE SmallCap Index | 3.92 | Oil & Gas | -6.57 |
| Personal Goods | 9.01 | Financials | 3.65 | Oil & Gas Producers | -6.91 |
| Health Care | 8.77 | Beverages | 3.59 | Gas Water & Multi | -8.45 |
| Real Est Invest & Se | 8.75 | Equity Invest Instr | 3.30 | Utilities | -8.96 |
| | | FTSE All{HY-}Share Index | 3.27 | Electricity | -10.72 |

## FTSE GLOBAL EQUITY INDEX SERIES

| Mar 19 Regions & countries | No of stocks | US $ indices | Day % | Mth % | YTD % | Total retn | YTD % | Gr Div Yield |
|---|---|---|---|---|---|---|---|---|
| FTSE Global All Cap | 7550 | 481.58 | 0.0 | -0.6 | 2.5 | 645.99 | 2.9 | 2.3 |
| FTSE Global All Cap | 6912 | 495.70 | -0.1 | -0.4 | 2.4 | 653.76 | 2.8 | 2.2 |
| FTSE Global Large Cap | 1356 | 425.40 | -0.1 | -0.8 | 2.0 | 583.01 | 2.5 | 2.4 |
| FTSE Global Mid Cap | 1668 | 640.23 | 0.0 | -0.4 | 3.7 | 822.39 | 4.0 | 1.8 |
| FTSE Global Small Cap | 4526 | 676.82 | 0.1 | 0.3 | 3.7 | 844.53 | 4.0 | 1.8 |
| FTSE All-World | 3024 | 281.23 | -0.1 | -0.7 | 2.3 | 397.82 | 2.8 | 2.3 |
| FTSE World | 2540 | 496.70 | -0.1 | -0.7 | 2.2 | 943.61 | 2.7 | 2.3 |
| FTSE Global All Cap ex UNITED KINGDOM In | 7212 | 493.98 | -0.1 | -0.4 | 2.6 | 653.79 | 3.0 | 2.2 |
| FTSE Global All Cap ex USA | 5583 | 459.85 | 0.4 | -1.1 | 2.8 | 651.49 | 3.3 | 2.6 |
| FTSE Global All Cap ex JAPAN | 6308 | 492.41 | 0.0 | -1.0 | 1.8 | 666.24 | 2.3 | 2.3 |
| FTSE Developed | 2112 | 449.32 | -0.1 | -0.5 | 2.5 | 607.34 | 3.0 | 2.3 |
| FTSE Developed All Cap | 5650 | 472.04 | -0.1 | -0.4 | 2.7 | 631.47 | 3.1 | 2.2 |

| Mar 19 Sectors | No of stocks | US $ indices | Day % | Mth % | YTD % | Total retn | YTD % | Gr Div Yield |
|---|---|---|---|---|---|---|---|---|
| Oil & Gas | 177 | 377.52 | -0.7 | -0.7 | -5.2 | 560.25 | -4.6 | 3.6 |
| Oil & Gas Producers | 121 | 343.20 | -0.8 | -0.8 | -5.3 | 517.83 | -4.7 | 3.7 |
| Oil Equipment & Services | 47 | 391.74 | -0.5 | -0.5 | -5.5 | 531.76 | -4.9 | 3.4 |
| Basic Materials | 271 | 439.42 | -0.3 | -0.3 | 0.9 | 628.90 | 1.4 | 2.8 |
| Chemicals | 116 | 658.42 | -0.7 | -0.7 | 5.6 | 946.72 | 5.8 | 2.2 |
| Forestry & Paper | 18 | 224.02 | -0.3 | -0.3 | 7.6 | 350.00 | 7.8 | 2.5 |
| Industrial Metals & Mining | 75 | 385.77 | -0.9 | -0.9 | -6.4 | 553.48 | -6.2 | 2.9 |
| Mining | 62 | 534.14 | 1.1 | 1.1 | -6.2 | 760.77 | -4.8 | 4.5 |
| Industrials | 534 | 324.77 | -0.3 | -0.3 | 3.2 | 443.36 | 3.6 | 2.0 |
| Construction & Materials | 114 | 446.39 | 0.2 | 0.2 | 3.5 | 637.26 | 3.7 | 2.0 |
| Aerospace & Defense | 29 | 529.01 | -0.5 | -0.5 | 6.4 | 716.78 | 6.9 | 1.9 |
| General Industrials | 56 | 218.64 | -0.9 | -0.9 | 0.5 | 320.78 | 1.4 | 2.6 |

## FTSE 100 SUMMARY

| FTSE 100 | Closing Price | Day's Change | FTSE 100 | Closing Price | Day's Change |
|---|---|---|---|---|---|
| 3i Group PLC | 495.70 | 3.90 | Kingfisher PLC | 374.40 | 6.90 |
| Aberdeen Asset Management PLC | 472.70 | 3.00 | Land Securities Group PLC | 1272 | 12.00 |
| Admiral Group PLC | 1518 | -19.00 | Legal & General Group PLC | 292.90 | 1.30 |
| Aggreko PLC | 1581 | -14.00 | Lloyds Banking Group PLC | 79.50 | - |
| Anglo American PLC | 1046 | -23.50 | London Stock Exchange Group PLC | 2568 | 34.00 |
| Antofagasta PLC | 695.00 | 13.50 | Marks and Spencer Group PLC | 531.50 | 16.00 |
| ARM Holdings PLC | 1202 | 10.00 | Meggitt PLC | 577.50 | -10.00 |
| Ashtead Group PLC | 1133 | -1.00 | Mondi PLC | 1346 | -14.00 |
| Associated British Foods PLC | 3061 | -1.00 | Morrison (Wm) Supermarkets PLC | 205.20 | 2.10 |
| AstraZeneca PLC | 4785.5 | 35.50 | National Grid PLC | 888.30 | 7.30 |
| Aviva PLC | 566.00 | 10.50 | Next PLC | 7315 | -305.00 |
| Babcock International Group PLC | 986.00 | 3.50 | Old Mutual PLC | 230.20 | 0.70 |
| BAE Systems PLC | 547.00 | 1.50 | Pearson PLC | 1493 | -9.00 |
| Barclays PLC | 252.80 | 0.45 | Persimmon PLC | 1778 | 18.00 |
| Barratt Developments PLC | 528.50 | - | Prudential PLC | 1752 | 19.00 |
| BG Group PLC | 859.50 | 11.20 | Randgold Resources Ltd | 4826 | 151.00 |
| BHP Billiton PLC | 1485.5 | 27.50 | Reckitt Benckiser Group PLC | 5990 | 80.00 |
| BP PLC | 440.90 | 4.80 | Reed Elsevier PLC | 1174 | 1.00 |
| British American Tobacco PLC | 3668 | -128.00 | Rio Tinto PLC | 2845.5 | 15.00 |
| British Land Company PLC | 862.00 | 13.00 | Rolls-Royce Holdings PLC | 982.50 | -1.50 |
| British Sky Broadcasting Group PLC | 1027 | 2.00 | Royal Bank Of Scotland Group PLC | 348.50 | -3.20 |
| BT Group PLC | 463.20 | 4.60 | Royal Dutch Shell PLC (A) | 2042 | 19.50 |
| Bunzl PLC | 1868 | 8.00 | Royal Dutch Shell PLC (B) | 2140 | 22.00 |
| Burberry Group PLC | 1870 | 10.00 | Royal Mail PLC | 444.00 | -4.70 |
| Capita PLC | 1185 | 2.00 | RSA Insurance Group PLC | 433.40 | 4.00 |
| Carnival PLC | 3200 | 5.00 | SABMiller PLC | 3692.5 | -1.50 |
| Centrica PLC | 256.60 | 1.60 | Sage Group PLC | 481.10 | 2.70 |
| Coca-Cola HBC AG | 1176 | 3.00 | Sainsbury (J) PLC | 270.00 | -0.60 |
| Compass Group PLC | 1203 | 2.00 | Schroders PLC | 3264 | 36.00 |
| CRH PLC | 1751 | -20.00 | Severn Trent PLC | 2057 | 23.00 |
| Diageo PLC | 1940.5 | -13.50 | Shire PLC | 5635 | 35.00 |
| Direct Line Insurance Group PLC | 326.90 | 1.80 | Smith & Nephew PLC | 1151 | -1.00 |
| Dixons Carphone PLC | 432.20 | -0.20 | Smiths Group PLC | 1206 | 6.00 |
| easyJet PLC | 1855 | 25.00 | Sports Direct International PLC | 649.00 | 9.00 |
| Experian PLC | 1130 | -7.00 | SSE PLC | 1532 | - |
| Fresnillo PLC | 679.00 | 35.00 | St. James's Place PLC | 966.50 | -11.50 |

## UK STOCK MARKET TRADING DATA

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information. For all queries e-mail ft.reader.enquiries@morningstar.com

**Data provided by Morningstar | www.morningstar.co.uk**

## UK RIGHTS OFFERS

## UK COMPANY RESULTS

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier. For more information on dividend payments visit www.ft.com/marketsdata

## UK RECENT EQUITY ISSUES

# MARKET DATA

## FT500: THE WORLD'S LARGEST COMPANIES

## FT 500: TOP 20

| | Close price | Prev price | Day change | Day change % | Week change | Week change % | Month change % |
|---|---|---|---|---|---|---|---|
| Fanuc | 27795.00 | 27430.00 | 365.00 | 1.33 | 4600.00 | 19.8 | 20.79 |
| IndstrlBk | 17.15 | 17.12 | 0.03 | 0.18 | 2.58 | 17.7 | 21.55 |
| Regen Pharm | 486.02 | 472.11 | 13.91 | 2.95 | 60.86 | 14.3 | 13.93 |
| AmerAir | 55.19 | 54.13 | 1.06 | 1.96 | 6.51 | 13.4 | 10.87 |
| GF Secs | 24.99 | 25.25 | -0.26 | -1.03 | 2.81 | 12.7 | 6.93 |
| ChinaRailGp | 6.62 | 6.24 | 0.38 | 6.09 | 0.74 | 12.6 | 9.42 |
| ChStConEng | 6.82 | 6.56 | 0.26 | 3.96 | 0.76 | 12.5 | 13.67 |
| ChCommsCons | 9.89 | 9.49 | 0.40 | 4.21 | 1.01 | 11.4 | 10.63 |
| ChinaRailCons | 10.12 | 9.63 | 0.49 | 5.09 | 1.03 | 11.3 | 11.33 |
| Keyence | 68010.00 | 68900.00 | -890.00 | -1.29 | 6910.00 | 11.3 | 9.69 |
| ChMrchSecs | 27.94 | 28.04 | -0.10 | -0.36 | 2.66 | 10.5 | 4.96 |
| China Vanke | 17.42 | 17.30 | 0.12 | 0.69 | 1.64 | 10.4 | -0.68 |
| ChinaMBank | 18.74 | 18.50 | 0.24 | 1.30 | 1.72 | 10.1 | 4.81 |
| Tencent | 145.00 | 135.90 | 9.10 | 6.70 | 13.30 | 10.1 | 11.62 |
| BncoDoBrasl | 32.68 | 32.68 | 0.00 | 0.00 | 2.97 | 10.0 | 3.09 |
| Petrobras | 9.09 | 9.09 | 0.00 | 0.00 | 0.81 | 9.8 | -9.85 |
| BncBrasil | 24.04 | 24.04 | 0.00 | 0.00 | 2.14 | 9.8 | -5.67 |
| ShgPdgBk | 15.64 | 15.88 | -0.24 | -1.51 | 1.39 | 9.8 | 8.09 |
| Amgen | 169.11 | 166.54 | 2.57 | 1.54 | 14.86 | 9.6 | 8.37 |
| PngAnBnk | 15.19 | 15.51 | -0.32 | -2.06 | 1.33 | 9.6 | 8.58 |

Based on the FT Global 500 companies in local currency

## FT 500: BOTTOM 20

| | Close price | Prev price | Day change | Day change % | Week change | Week change % | Month change % |
|---|---|---|---|---|---|---|---|
| Visa Inc | 66.81 | 66.92 | -0.11 | -0.16 | -202.77 | -75.2 | -75.07 |
| FreeportMc | 17.26 | 18.23 | -0.97 | -5.32 | -1.63 | -8.6 | -18.24 |
| DuPont | 74.51 | 76.01 | -1.50 | -1.97 | -5.89 | -7.3 | -2.00 |
| Gzprm neft | 136.81 | 140.25 | -3.44 | -2.45 | -7.89 | -5.5 | -14.97 |
| CharlesSch | 29.42 | 29.77 | -0.35 | -1.18 | -1.63 | -5.2 | 0.48 |
| Orange | 14.82 | 14.81 | 0.01 | 0.07 | -0.68 | -4.4 | -6.59 |
| MediaTek | 434.00 | 435.50 | -1.50 | -0.34 | -19.50 | -4.3 | -5.45 |
| Rosneft | 237.05 | 243.40 | -6.35 | -2.61 | -10.65 | -4.3 | -14.03 |
| Hind Unilevr | 922.65 | 922.10 | 0.55 | 0.06 | -37.90 | -3.9 | 1.07 |
| BSkyB | 850.50 | 862.50 | -12.00 | -1.39 | -34.50 | -3.9 | -3.35 |
| ITC | 333.35 | 336.65 | -3.30 | -0.98 | -13.30 | -3.8 | -15.23 |
| NtlOilVarc | 47.89 | 48.59 | -0.70 | -1.44 | -1.91 | -3.8 | -11.71 |
| ENI | 15.71 | 15.54 | 0.17 | 1.09 | -0.62 | -3.8 | -3.32 |
| Occid Pet | 71.87 | 74.01 | -2.14 | -2.89 | -2.71 | -3.6 | -10.84 |
| RBS | 348.50 | 351.70 | -3.20 | -0.91 | -11.70 | -3.2 | -11.97 |
| Citigroup | 52.38 | 53.72 | -1.34 | -2.49 | -1.70 | -3.1 | 2.46 |
| AngloAmer | 1046.00 | 1069.50 | -23.50 | -2.20 | -33.00 | -3.1 | -14.47 |
| BankAm | 15.61 | 15.98 | -0.37 | -2.32 | -0.48 | -3.0 | -3.64 |
| Daimler | 89.91 | 89.91 | 0.00 | 0.00 | -2.74 | -3.0 | -2.59 |
| JardnMt US$ | 62.50 | 62.94 | -0.44 | -0.70 | -1.88 | -2.9 | -6.08 |

Based on the FT Global 500 companies in local currency

## INTEREST RATES: OFFICIAL

| Mar 19 | Rate | Current | Since | Last | Mnth Ago | Year Ago |
|---|---|---|---|---|---|---|
| US | Fed Funds | 0.00-0.11 | 16-12-2008 | 0.11 | 0.00-0.25 | 0.00-0.25 |
| US | Prime | 3.25 | 16-12-2008 | 3.25 | 3.25 | 3.25 |
| US | Discount | 0.75 | 18-02-2010 | 0.75 | 0.75 | 0.75 |
| Euro | Repo | 0.05 | 10-09-2014 | 0.15 | 0.05 | 0.25 |
| UK | Repo | 0.50 | 05-03-2009 | 0.50 | 0.50 | 0.50 |
| Japan | O'night Call | 0.00-0.03 | 05-10-2010 | 0.03 | 0.00-0.10 | 0.00-0.10 |
| Switzeland | Libor Target | 0.00-0.25 | 03-08-2011 | 0.00-0.75 | 0.00-0.25 | 0.00-0.25 |

## INTEREST RATES: MARKET

| Mar 19 (Libor: Mar 18) | Over night | Change Day | Change Week | Change Month | One month | Three month | Six month | One year |
|---|---|---|---|---|---|---|---|---|
| US$ Libor | 0.12200 | -0.001 | 0.000 | -0.002 | 0.17600 | 0.27030 | 0.40910 | 0.71535 |
| Euro Libor | -0.12571 | 0.001 | 0.001 | 0.000 | -0.01286 | 0.02000 | 0.07857 | 0.20571 |
| £ Libor | 0.47813 | 0.000 | 0.000 | -0.003 | 0.50350 | 0.56438 | 0.68313 | 0.97056 |
| Swiss Fr Libor | | | | 0.003 | -0.84100 | -0.80200 | -0.71060 | -0.60360 |

## BOND INDICES

## VOLATILITY INDICES

| | Mar 19 | Day Chng | Prev | 52 wk high | 52 wk low |
|---|---|---|---|---|---|
| VIX | 14.07 | 0.10 | 13.97 | 31.06 | 10.28 |
| VXD | 13.94 | 0.15 | 13.79 | 23.19 | 7.04 |
| VXN | 14.71 | -0.28 | 14.99 | 31.17 | 9.66 |
| VDAX | 15.81 | -0.83 | 16.64 | - | - |

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility. ‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

## BONDS: BENCHMARK GOVERNMENT

| | Red Date | Coupon | Bid Price | Bid Yield | Day chg yield | Wk chg yield | Month chg yld | Year chg yld |
|---|---|---|---|---|---|---|---|---|
| Australia | 10/18 | 3.25 | 104.92 | 1.82 | 0.03 | -0.09 | -0.09 | -1.60 |
| | 04/25 | 3.25 | 107.95 | 2.36 | 0.01 | -0.20 | -0.24 | -1.89 |
| Austria | 10/18 | 1.15 | 104.33 | 0.06 | -0.01 | 0.01 | 0.05 | -0.78 |
| | 10/24 | 1.65 | 112.44 | 0.33 | -0.01 | 0.00 | -0.17 | 0.00 |
| Belgium | 06/18 | 0.75 | 101.99 | 0.13 | 0.00 | 0.02 | -0.04 | -1.01 |
| | 06/25 | 0.80 | 103.82 | 0.42 | -0.03 | -0.04 | -0.26 | 0.00 |

## BONDS: HIGH YIELD & EMERGING MARKET

Data provided by SIX Financial Information & Tullett Prebon Information. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

## BONDS: GLOBAL INVESTMENT GRADE

## GILTS: UK CASH MARKET

## GILTS: UK FTSE ACTUARIES INDICES

## COMMODITIES

## BONDS: INDEX-LINKED

## BONDS: TEN YEAR GOVT SPREADS

Data provided by Morningstar | www.morningstar.co.uk

# FINANCIAL TIMES SHARE SERVICE

## Main Market

## AIM

## Investment Companies

## ISDX

| | Price | +/-Chg | 52 Week High | Low | Yld | P/E | Vol 000s |
|---|---|---|---|---|---|---|---|
| ArsenalFC | 1587500 | - | 1590000 | 1400000 | - | 68.02 | 0.0 |
| ShephdNm | 1037.5 | - | 1260 | 1005 | 2.44 | 24.97 | 2.5 |
| Thwaites | 123.00 | - | 132.00 | 112.50 | 3.63 | -26.22 | 12.9 |

## Guide to FT Share Service

For queries about the London Share Service pages e-mail ft.reader.enquiries@morningstar.com.

All data is as of close of the previous business day. Company classifications are based on the ICB system used by FTSE (see www.icbenchmark.com). FTSE 100 constituent stocks are shown in bold.

Closing prices are shown in pence unless otherwise indicated. Highs & lows are based on intra-day trading over a rolling 52 week period. Price/earnings ratios (PER) are based on latest annual reports and accounts and are updated with interim figures. PER is calculated using the company's diluted earnings from continuing operations. Yields are based on closing price and on dividends paid in the last financial year and updated with interim figures. Yields are shown in net terms; dividends on UK companies are net of 10% tax, non-UK companies are gross of tax. Highs & lows, yields and PER are adjusted to reflect capital changes where appropriate.

Trading volumes are end of day aggregated totals, rounded to the nearest 1,000 shares.

Net asset value per share (NAV) and split analytics are provided only as a guide. Discounts and premiums are calculated using the latest cum fair net asset value estimate and closing price. Discounts, premiums, gross redemption yield (GRY), and hurdle rate (HR) to share price (SP) and HR to wipe out (WO) are displayed as a percentage, NAV and terminal asset value per share (TAV) in pence.

- ✠ FT Global 500 company
- ♦ trading ex-dividend
- ■ trading ex-capital distribution
- # price at time of suspension from trading

# MANAGED FUNDS SERVICE

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|

## ACPI Global UCITS Funds Plc (IRL)
www.acpi.com
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| ACPI Emerging Mkts FI UCITS Fund USD A | $ 106.39 | - | -0.36 | 0.00 |
| ACPI Global Credit UCITS Funds USD A | $ 13.90 | - | -0.02 | 0.00 |
| ACPI Global Fixed Income UCITS Fund USD A | $ 151.54 | - | 0.20 | 0.00 |
| ACPI India Fixed Income UCITS Fund USD A | $ 87.28 | - | 0.15 | 0.00 |
| ACPI International Bond UCITS Fund USD A | $ 18.21 | - | 0.06 | 0.00 |

## ACPI Select UCITS Funds PLC (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| ACPI Balanced UCITS Fund USD Retail | $ 14.17 | - | 0.02 | 0.00 |
| ACPI Balanced UCITS Fund EUR Retail | € 10.72 | - | 0.01 | 0.00 |
| ACPI Balanced UCITS Fund GBP Retail | £ 10.81 | - | 0.01 | 0.00 |
| ACPI Balanced UCITS Fund USD Institutional | $ 10.00 | - | - | - |
| ACPI Balanced UCITS Fund EUR Institutional | € 10.00 | - | - | - |
| ACPI Balanced UCITS Fund GBP Institutional | £ 10.00 | - | - | - |
| ACPI Focused Equity UCITS Fund | $ 13.16 | - | 0.10 | 0.00 |

## Abbey Life Assurance Company Limited (UK)
100 Holdenhurst Road, Bournemouth BH8 8AL 0845 9600 900
additional fund prices can be found @ www.abbeylife.co.uk
**Insurances**
**Life Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Prop. Acc. Ser 2 | 1481.50 | 1559.50 | 1.50 | - |
| Selective Acc. Ser 2 | 1596.60 | 1680.60 | 14.70 | - |
| American Ser. 4 | 1724.50 | 1815.20 | 12.30 | - |
| Custodian Ser. 4 | 497.80 | 524.00 | 1.70 | - |
| Equity Ser. 4 | 582.10 | 612.70 | 4.50 | - |
| European Ser 4 | 596.20 | 627.60 | -2.20 | - |
| Fixed Int. Ser. 4 | 904.80 | 952.40 | 5.00 | - |
| Intl Ser. 4 | 456.20 | 480.20 | -1.40 | - |
| Japan Ser 4 | 385.00 | 405.20 | -6.80 | - |
| Man. Ser. 4 | 1714.90 | 1805.20 | 3.90 | - |
| Money Ser. 4 | 524.10 | 551.70 | 0.00 | - |
| Prop. Ser. 4 | 1060.50 | 1116.30 | 0.80 | - |
| Custodian Ser 5 | 478.90 | 504.10 | 1.70 | - |
| International Ser 5 | 438.80 | 461.90 | -1.30 | - |
| Managed Ser 5 | 1649.60 | 1736.40 | 3.70 | - |
| Money Ser 5 | 513.20 | 540.20 | 0.00 | - |
| Property Ser 5 | 1020.10 | 1073.80 | 0.70 | - |

**Pension Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| American | 2004.00 | 2109.50 | -7.50 | - |
| Equity | 5175.80 | 5448.20 | 51.70 | - |
| European | 1216.00 | 1280.00 | -2.20 | - |
| Fixed Int. | 1660.10 | 1747.50 | 11.10 | - |
| International | 979.00 | 1030.50 | -1.00 | - |
| Japan | 409.80 | 431.30 | -5.90 | - |
| Managed | 4479.00 | 4714.70 | 15.10 | - |
| Property | 2723.10 | 2866.40 | 2.70 | - |
| Security | 1477.10 | 1554.80 | 0.00 | - |
| Selective | 2048.20 | 2156.00 | 23.50 | - |

**Formerly Hill Samuel Life Assurance Ltd**
100 Holdenhurst Road, Bournemouth, BH8 8AL 0845 6023 603

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Managed Ser A (Life) | 1626.00 | 1720.60 | 10.60 | - |
| Managed Ser A (Pensions) | 1096.60 | 1154.30 | 6.00 | - |

**Formerly Target Life Assurance Ltd**
100 Holdenhurst Road, Bournemouth, BH8 8AL 0845 6023 603

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Managed (Life) | 1646.90 | 1733.60 | 10.40 | - |
| Managed Growth (Life) | 526.40 | 554.10 | 3.80 | - |
| Managed (Pensions) | 8578.50 | 8924.80 | 50.40 | - |
| Managed Growth (Pensions) | 650.50 | 684.70 | 5.60 | - |

additional fund prices can be found on our website

## Aquila Capital

### Alceda Fund Management S.A.
www.alceda.lu
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| AC Opp - Aremus Fund EUR A | € 111.80 | - | -0.35 | - |
| AC Risk Parity 7 Fund EUR A | € 123.54 | - | 0.73 | 0.00 |
| AC Risk Parity 12 Fund EUR A | € 150.26 | - | 1.46 | 0.00 |
| AC Risk Parity 17 Fund EUR A | € 99.15 | - | 1.43 | 0.00 |
| ACQ Risk Parity Bond Fund EUR A | € 102.01 | 102.01 | 0.12 | 0.00 |

## Allianz Global Investors

### Allianz Global Investors GmbH(1200) F (UK)
199 Bishopsgate, London, EC2M 3TY,0800 073 2001
Fund Information: www.allianzgi.co.uk
**Authorised Inv Funds**
**OEIC**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Allianz BRIC Stars A Acc | 165.62 | - | -0.72 | 0.61 |
| Allianz BRIC Stars C Acc | 176.74 | - | -0.76 | 1.04 |
| Allianz Brazil Fund A Acc | 54.52 | - | 0.44 | 1.01 |
| Allianz Brazil Fund C Acc | 55.83 | - | 0.45 | 1.71 |
| Allz Continental European A Acc | 909.07 | - | -2.49 | 0.19 |
| Allianz Continental European C Acc | 146.64 | - | -0.40 | 1.03 |
| Allz European Eq Inc A Inc | 138.40 | - | 0.15 | 3.55 |
| Allz European Eq Inc A Acc | 187.87 | - | 0.20 | 3.70 |
| Allz European Eq Inc C Acc | 105.55 | - | 0.11 | 3.51 |
| Allz European Eq Inc C Inc | 101.83 | - | 0.11 | 3.43 |
| Allianz EcoTrends A Acc | 92.91 | - | -0.19 | 0.00 |
| Allianz EcoTrends C Acc | 97.61 | - | -0.19 | 0.00 |
| Allianz Gilt Yield Fund C Inc | 170.18 | - | 1.21 | 1.92 |
| Allianz Gilt Yield Fund I Inc | 175.91 | - | 1.25 | 1.93 |
| Allianz Japan A Acc | 543.45 | - | -12.14 | 0.00 |
| Allianz Japan C Acc | 122.71 | - | -2.74 | 0.00 |
| Allz RiskMaster Conservative A Acc | 121.68 | - | 0.21 | 0.00 |
| Allz RiskMaster Conservative C Acc | 123.32 | - | 0.21 | 0.27 |
| Allz RiskMaster Defensive A Acc | 114.30 | - | 0.22 | 0.00 |
| Allz RiskMaster Defensive C Acc | 115.96 | - | 0.24 | 0.14 |
| Allz RiskMaster Growth A Acc | 129.23 | - | 0.13 | 0.00 |
| Allz RiskMaster Growth C Acc | 132.23 | - | 0.13 | 0.02 |
| Allz RiskMaster Moderate A Acc | 127.12 | - | 0.19 | 0.00 |
| Allz RiskMaster Moderate C Acc | 129.28 | - | 0.19 | 0.08 |
| Allz Sterling Total Return Fund A Inc | 153.21 | - | 0.44 | 3.02 |
| Allz Sterling Total Return Fund C Inc | 153.72 | - | 0.44 | 3.58 |
| Allz Total Return Asian A Acc | 702.92 | - | -4.90 | 1.29 |
| Allz Total Return Asian C Inc | 649.98 | - | -4.51 | 1.18 |
| Allz UK Corporate Bond A Inc | 108.33 | - | 0.48 | 3.74 |
| Allz UK Corporate Bond C Inc | 108.99 | - | 0.48 | 3.63 |
| Allz UK Equity Income A Inc | 290.80 | - | 2.76 | 4.43 |
| Allz UK Equity Income C Inc | 104.26 | - | 0.99 | 3.13 |
| Allianz UK Growth A Acc | 4446.20 | - | 27.33 | 1.62 |
| Allianz UK Growth C Acc | 103.02 | - | 0.63 | 1.29 |
| Allianz UK Unconstrained C Acc | 102.14 | - | 0.59 | 0.72 |
| Allianz UK Unconstrained A Acc | 212.34 | - | 1.22 | 0.83 |
| Allianz UK Index C Acc | 1885.72 | - | 20.94 | 2.84 |
| Allianz UK Index C Inc | 1335.05 | - | 14.61 | 2.40 |
| Allianz UK Mid Cap A Acc | 3959.18 | - | 27.44 | 0.85 |
| Allianz UK Mid Cap Fund C Acc | 4024.49 | - | 27.99 | 1.62 |
| Allianz US Equity A Acc | 425.29 | - | -2.28 | 0.13 |
| Allianz US Equity C Acc | 196.57 | - | -1.04 | 0.80 |

Yield expressed as CAR (Compound Annual Return)
All transactions to Ser A units the sell price will be used

## Amundi Funds (LUX)
5 Allee Scheffer L-2520 Luxembourg + 44 (0)20 7074 9332
www.amundi-funds.com
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Bd. Euro Corporate AE Class - R - EUR | € 19.17 | - | 0.03 | 0.00 |
| Bd. Global AU Class - R - USD | $ 20.19 | - | 0.02 | 0.00 |
| Eq. Emerging Europe AE Class - R - EUR | € 26.83 | - | -0.24 | 0.00 |
| Eq. Emerging World AU Class - R - USD | $ 93.40 | - | 0.65 | 0.00 |
| Eq. Greater China AU Class - R - USD | $ 624.62 | - | 5.26 | 0.00 |
| Eq. Latin America AU Class - R - USD | $ 409.52 | - | 7.94 | 0.00 |
| Gl. Macro Bds & Curr Low Vol AHE - GBP | £ 99.11 | - | -0.23 | 0.00 |

## The Antares European Fund Limited
**Other International**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| AEF Ltd Usd (Est) | $ 618.61 | - | -0.49 | - |
| AEF Ltd Eur (Est) | € 620.64 | - | 1.54 | 0.00 |

## Arbiter Fund Managers Limited
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Arbiter Global Emerging Markets Fund Class A USD | $ 108.24 | - | 0.25 | 0.00 |
| Arbiter Global Emerging Markets Fund Class B GBP | £ 104.16 | - | 0.73 | - |

## Arisaig Partners
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Arisaig Africa Consumer Fund Limited | $ 15.60 | - | 0.03 | 0.00 |
| Arisaig Asia Consumer Fund Limited | $ 63.90 | - | 0.09 | 0.00 |
| Arisaig Global Emerging Markets Fund | $ 10.35 | - | 0.05 | 0.00 |
| Arisaig Global Emerging Markets Consumer UCITS | $ 12.53 | - | 0.09 | 0.00 |
| Arisaig Global Emerging Markets Consumer UCITS STG | £ 11.66 | - | 0.09 | 0.00 |
| Arisaig Latin America Consumer Fund | $ 21.50 | - | 0.15 | 0.00 |

## ARTEMIS The Profit Hunter

### Artemis Fund Managers Ltd (1200)F (UK)
57 St. James's Street, London SW1A 1LD 0800 092 2051
Authorised Corporate Director - Artemis Fund Managers Ltd
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Artemis Capital R ACC | 1288.34 | 1361.40 | 13.68 | 1.43 |
| Artemis European Growth R Acc | 255.09 | 269.26 | 0.24 | 3.52 |
| Artemis European Opps R Acc | 75.07 | 79.22 | -0.09 | 1.32 |
| Artemis Global Energy R Acc | 27.62 | 29.23 | 0.40 | 0.00 |
| Artemis Global Growth R Acc | 189.58 | 199.01 | -0.92 | 0.75 |
| Artemis Global Income R Inc | 99.45 | 105.11 | -0.36 | 3.75 |
| Artemis Global Select R Acc | 74.15 | 78.26 | -0.49 | 0.00 |
| Artemis High Income R Inc | 81.45 | 86.73 | 0.13 | 5.58 |
| Artemis Income R Inc | 218.16 | 231.20 | 2.31 | 3.95 |
| Artemis Income R Acc | 358.38 | 379.80 | 3.79 | 3.84 |
| Artemis Monthly Dist R Inc | 64.68 | 68.65 | -0.18 | 4.72 |
| Artemis Pan-Euro Abs Ret GBP | 102.17 | - | 0.24 | - |
| Artemis Strategic Assets R Acc | 76.77 | 81.31 | 0.14 | 0.00 |
| Artemis Strategic Bond R M Acc | 84.45 | 89.69 | -0.02 | 3.95 |
| Artemis Strategic Bond R M Inc | 55.66 | 59.11 | -0.01 | 4.02 |
| Artemis Strategic Bond R Q Acc | 84.54 | 89.78 | -0.02 | 3.95 |
| Artemis Strategic Bond R Q Inc | 55.89 | 59.35 | -0.01 | 4.03 |
| Artemis UK Growth R Acc | 447.72 | 474.25 | 5.73 | 0.57 |
| Artemis UK Smaller Cos R Acc | 1041.38 | 1118.41 | 2.64 | 0.54 |
| Artemis UK Special Sits R Acc | 516.68 | 549.26 | 4.82 | 1.65 |
| Artemis US Abs Ret I Acc | 100.79 | - | 0.00 | - |
| Artemis US Equity I Acc | 115.43 | - | -0.78 | - |
| Artemis US Select I Acc | 115.39 | - | -0.91 | - |
| Artemis US Smlr Cos I Acc | 122.49 | - | -1.34 | - |
| Artemis US Ex Alpha I Acc | 116.79 | - | -0.86 | - |

### Artemis Fund Managers Ltd (CYM)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Artemis Gbl Hedge Fd Ltd GBP | £ 55.73 | - | 0.13 | - |
| Artemis Gbl Hedge Fd Ltd EUR | € 51.90 | - | 0.00 | - |
| Artemis Gbl Hedge Fd Ltd USD | $ 56.06 | - | 0.10 | - |
| Artemis Pan-Euro Hdg EUR | € 176.28 | - | -3.15 | - |
| Artemis Pan-Euro Hdg GBP | £ 196.03 | - | -3.39 | - |
| Artemis Pan-Euro Hdg USD | $ 184.97 | - | -3.07 | - |

### Artisan Partners Global Funds PLC (IRL)
Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland
Tel: 44 (0) 207 766 7130
**FCA Recognised**
**Artisan Partners Global Funds plc**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Artisan Emerging Markets I USD Acc | $ 7.56 | - | 0.15 | 0.00 |
| Artisan Global Equity Fund Class I USD Acc | $ 15.23 | - | 0.10 | 0.00 |
| Artisan Global Opportunities I USD Acc | $ 12.14 | - | 0.16 | 0.00 |
| Artisan Global Value Fund Class I USD Acc | $ 16.49 | - | 0.18 | 0.00 |
| Artisan US Value Equity Fund Class I USD Acc | $ 11.80 | - | 0.18 | 0.00 |

### Ashmore Sicav (LUX)
2 rue Albert Borschette L-1246 Luxembourg
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Ashmore SICAV Emerging Market Debt Fund | $ 94.73 | - | -0.07 | 14.00 |
| Ashmore SICAV Emerging Market Frontier Equity Fund | $ 159.15 | - | -1.88 | 2.00 |
| Ashmore SICAV Emerging Market Total Return Fund | $ 83.90 | - | 0.05 | 10.59 |
| Ashmore SICAV Global Small Cap Equity Fund | $ 131.68 | - | 1.28 | 0.07 |
| Ashmore SICAV Local Currency Fund | $ 84.97 | - | 0.15 | 1.93 |
| EM Mkts Corp.Debt USD F | $ 95.06 | - | 0.07 | 9.80 |
| EM Mkts Loc Ccy Bd USD F | $ 85.50 | - | 0.27 | 11.09 |

## aspect capital

### Aspect Capital Ltd (UK)
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Aspect Diversified USD | $ 429.44 | - | 13.11 | 0.00 |
| Aspect Diversified EUR | € 257.48 | - | 8.09 | - |
| Aspect Diversified GBP | £ 131.20 | - | 4.06 | 0.00 |
| Aspect Diversified CHF | SFr 123.92 | - | 3.92 | 0.00 |
| Aspect Diversified Trends USD | $ 129.30 | - | 0.48 | 0.00 |
| Aspect Diversified Trends EUR | € 129.45 | - | 0.46 | 0.00 |
| Aspect Diversified Trends GBP | £ 133.60 | - | 0.47 | 0.00 |

### Atlantas Sicav (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| American Dynamic | $ 3575.94 | - | 48.03 | 0.00 |
| American One | $ 3309.70 | - | 16.02 | 0.00 |
| Bond Global | € 1434.67 | - | 19.99 | 0.00 |
| Eurocroissance | € 912.82 | - | 19.36 | 0.00 |
| Far East | $ 708.47 | - | 8.92 | 0.00 |

### BLME Asset Management (LUX)
BLME Sharia'a Umbrella Fund SICAV SIF
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| $ Income Fund - Share Class A Acc | $ 1138.02 | - | 0.45 | 0.00 |
| $ Income Fund - Share Class B Acc | $ 1157.65 | - | 0.46 | 0.00 |
| $ Income Fund - Share Class C Acc | $ 1007.39 | - | 0.39 | 0.00 |
| $ Income Fund - Share Class D Dis | $ 1000.64 | - | 0.40 | - |
| € Income Fund - Share Class C Acc | € 1076.29 | - | 0.47 | 0.00 |
| € Income Fund - Share Class A Acc | € 1015.46 | - | 0.36 | 0.00 |
| $ Income Fund - Share Class W Dis A$ | 1029.97 | - | 0.58 | - |
| GI Sukuk Fund - Share Class A Acc | $ 1213.98 | - | 1.50 | 0.00 |
| GI Sukuk Fund - Share class B Acc | $ 1080.76 | 1080.76 | 1.36 | 0.00 |

### Bank of America Cap Mgmt (Ireland) Ltd (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Global Liquidity USD | $ 1.00 | - | 0.00 | 0.22 |

### Barclays Investment Funds (CI) Ltd (JER)
39/41 Broad Street, St Helier, Jersey, JE2 3RR Channel Islands 01534 812800
**FCA Recognised**
**Bond Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Sterling Bond F | £ 0.47 | - | 0.00 | 3.35 |

### Baring Fund Managers Ltd (1200)F (UK)
Dealing and Enquiries 020 7214 1004
Fund Information: www.barings.com
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Dynamic Capital Growth Acc | 682.80 | 721.30 | 3.00 | 1.24 |
| Dynamic Capital Growth Inc | 276.00 | 291.50 | 1.30 | 1.25 |
| Eastern Acc GBP | 710.10 | - | -1.60 | 0.00 |
| Eastern Inc GBP | 696.90 | - | -1.50 | 0.00 |
| Europe Select Inc GBP | 2565.00 | - | -7.00 | 0.62 |
| European Growth Inc | 1066.00 | 1124.00 | -3.00 | 1.05 |
| German Growth Acc GBP | 611.60 | - | -4.00 | 0.72 |
| German Growth Inc GBP | 564.50 | - | -3.70 | 0.53 |
| Strategic Bond Inc | 119.60 | 125.70 | -0.30 | 1.89 |
| Global Growth Inc | 402.00 | 423.60 | -1.00 | 0.00 |
| Japan Growth Acc | 141.80 | 149.40 | -3.00 | 0.27 |
| Korea Acc | 274.90 | 291.30 | 0.80 | 0.00 |
| Multi Asset A Acc | 161.00 | - | 0.60 | 0.72 |
| Multi Asset A Inc | 155.50 | - | 0.60 | 0.72 |
| UK Growth Inc | 257.90 | 272.70 | 3.50 | 1.33 |

**Charity Fund**
0800 032 6347 (charity enquiries)

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Targeted Return Fund Acc | 149.40 | 150.30 | 0.60 | 3.11 |
| Targeted Return Fund Inc | 117.80 | 118.40 | 0.50 | 3.17 |

### Baring International Fd Mgrs (Ireland) (IRL)
Northern Trust, George Court 54-62 Townsend Street, Dublin 2 Rep of Ireland 020 7214 1004
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| ASEAN Frontiers A GBP Inc | £ 127.42 | - | -0.92 | 0.92 |
| Asia Growth A GBP Inc | £ 48.20 | - | -0.32 | 0.00 |
| Australia A GBP Inc | £ 78.56 | - | 0.49 | 2.15 |
| Baring China Bond Fund | $ 10.17 | - | 0.05 | 0.00 |
| Baring Emerging Markets Corporate Debt Fund | $ 9.27 | - | 0.01 | 0.00 |
| Baring Europe Opportunities Fund Class A EUR Acc | € 13.23 | - | 0.15 | 0.00 |
| Baring Global Mining Fund - Class A GBP Inc | £ 5.14 | - | 0.06 | 0.69 |
| Dynamic Emerging Markets A GBP Inc | £ 9.79 | - | -0.06 | 0.00 |
| Eastern Europe A GBP Inc | £ 44.00 | - | 0.29 | 0.75 |
| Emerging Mkt Debt LC A GBP Hedged Inc | £ 8.30 | - | 0.14 | 6.74 |
| Emerging Opportunities A GBP Inc F | £ 20.45 | - | 0.06 | 0.00 |
| Gib Emerging Markets A GBP Inc F | £ 20.68 | - | 0.05 | 0.00 |
| Gib Resources A GBP Inc F | £ 12.79 | - | 0.06 | 0.33 |
| High Yield Bond A GBP Hedged Inc F | £ 6.84 | - | -0.01 | 7.50 |
| Hong Kong China A GBP Inc | £ 634.02 | - | -3.83 | 0.58 |
| India Fund - Class A GBP Inc | £ 15.96 | - | -0.30 | 0.00 |
| Latin America A USD Inc F | $ 32.54 | - | 0.47 | 1.21 |
| MENA A GBP Inc F | £ 14.44 | - | -0.14 | 1.09 |

### Baring International Fd Mgrs (Ireland) (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| China A-Share A GBP Inc | £ 5.70 | - | 0.14 | 0.00 |

### Barings (Luxembourg) (LUX)
**FCA Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Russia A GBP Inc F | £ 24.52 | - | 0.49 | 0.00 |

### Barmac Asset Management Ltd (UK)
40 Dukes Place, London, EC3A 7NH
Authorised Corporate Director - Capita Financial Managers
Dealing: 0845 922 0044
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Retail Accumulation 2 | 115.44 | - | 0.31 | 0.00 |
| Retail Income 2 | 114.10 | - | 0.34 | 0.00 |
| The Castleton Growth Fund Ret Acc ♦ F | 112.04 | - | 0.30 | 0.00 |
| The Castleton Growth Fund Ret Inc ♦ F | 112.51 | - | 0.31 | 0.00 |

### BlackRock (JER)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| BlackRock UK Property | £ 38.97 | - | 0.08 | 3.70 |
| Blackrock UK Long Lease | £ 1043.92 | - | 0.81 | 0.00 |
| BLK Intl Gold & General | $ 4.83 | 5.10 | 0.20 | 0.00 |

## BlueBay Asset Management

### BlueBay Asset Management LLP (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| BlueBay EmMkt Bd-B USD | $ 289.72 | - | 0.77 | 0.00 |
| BlueBay EmMktCp B-USD | $ 163.52 | - | -1.54 | 0.00 |
| BlueBay EmMktSel B-USD | $ 152.08 | - | 0.44 | 0.00 |
| BlueBay EmMkLocCy B-USD | $ 144.35 | - | 0.38 | 0.00 |
| BlueBay GlblConv I-USD | $ 189.85 | - | 0.95 | 0.00 |
| BlueBay GlblHgYld B-USD | $ 131.66 | - | -0.44 | 0.00 |
| BlueBay HgYld B-EUR | € 338.03 | - | -0.80 | 0.00 |
| BlueBay HgYieldCp B-EUR | € 142.99 | - | -0.30 | 0.00 |
| BlueBay InvGr B-EUR | € 176.18 | - | -0.20 | 0.00 |
| BlueBay InvGrEuGv B-EUR | € 154.49 | - | -0.93 | 0.00 |
| BlueBay InvGEurAg I-EUR | € 153.96 | - | -0.78 | 0.00 |
| BlueBay InvGLibor B-EUR | € 126.50 | - | -0.24 | 0.00 |
| HighIncomeLoan H-EUR | € 192.78 | - | 0.24 | 0.00 |

### BONHOTE
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Bonhôte Alternative - Multi-Arbitrage USD Class (EUR) | € 6858.00 | - | 48.00 | 2.46 |
| Bonhôte Alternative - Multi-Performance USD Class (EUR) | € 10348.00 | - | 117.00 | 0.83 |

### Braemar Group PCC Limited (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| UK Agricultural Class A | £ 1.26 | - | 0.00 | 0.00 |
| UK Agricultural Class B | £ 1.38 | - | 0.00 | 0.00 |
| Student Accom Class B | £ 0.72 | - | -0.28 | 0.00 |

### CAF Financial Solutions (UK)
Kings Hill, West Malling, Kent 03000 123 222
**Property & Other UK Unit Trusts**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CAF UK Equitrack Inc Fd | 75.84 | 75.84 | 0.85 | 3.32 |
| CAF UK Equitrack Acc Fd | 104.00 | 104.00 | 1.20 | 3.24 |
| FP CAF Alternative Strategies A Class Acc | 111.84 | - | -0.07 | 0.51 |
| FP CAF Alternative Strategies A Class Inc | 111.46 | - | -0.07 | 0.38 |
| FP CAF Fixed Interest A class Acc | 114.87 | - | -0.53 | 2.90 |
| FP CAF Fixed Interest A class Inc | 102.65 | - | -0.47 | 2.95 |
| FP CAF Fixed Interest B class Acc | 115.34 | - | -0.53 | 2.90 |
| FP CAF Fixed Interest B class Inc | 102.94 | - | -0.47 | 2.95 |
| FP CAF International Equity A Class Acc | 148.53 | - | 0.60 | 0.75 |
| FP CAF International Equity A Class Inc | 144.84 | - | 0.58 | 0.76 |
| FP CAF UK Equity A Class Acc | 151.31 | - | 1.14 | 2.11 |
| FP CAF UK Equity A Class Inc | 139.62 | - | 1.05 | 2.14 |
| FP CAF UK Equity B Class Acc | 151.31 | - | 1.14 | 2.11 |
| FP CAF UK Equity B Class Inc | 139.60 | - | 1.05 | 2.14 |

## CCLA

### CCLA Investment Management Ltd (UK)
Senator House 85 Queen Victoria Street London EC4V 4ET
**Authorised Inv Funds**
**The Public Sector Deposit Fund**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| The Public Sector Deposit Fund share class 1 ♦ F | 100.00 | - | 0.00 | 0.51 |
| The Public Sector Deposit Fund share class 2 ♦ F | 100.00 | - | 0.00 | 0.41 |
| The Public Sector Deposit Fund share class 3 ♦ F | 100.00 | - | 0.00 | 0.36 |
| The Public Sector Deposit Fund share class 4 ♦ F | 100.00 | - | 0.00 | 0.31 |
| The Public Sector Deposit Fund share class 5 ♦ F | 100.00 | - | 0.00 | 0.31 |

### CCLA Investment Management Ltd (UK)
Senator House 85 Queen Victoria Street London EC4V 4ET
**Property & Other UK Unit Trusts**
**CBF Church of England Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Investment Inc | 1379.23 | 1384.49 | 7.92 | 3.78 |
| Investment Acc | 2746.48 | 2776.86 | 15.79 | - |
| Global Equity Inc | 163.21 | 165.01 | 1.22 | 4.31 |
| Global Equity Acc | 231.72 | 234.28 | 1.72 | - |
| UK Equity Inc | 151.66 | 153.18 | 0.55 | 4.05 |
| UK Equity Acc | 219.19 | 221.39 | 0.79 | - |
| Fixed Interest Inc | 167.28 | 167.96 | 3.01 | 3.96 |
| Fixed Interest Acc | 497.33 | 499.33 | 8.97 | - |
| Property Fund Inc | 125.62 | 129.83 | 0.16 | 6.51 |
| Property Fund Acc | 218.74 | 226.07 | 0.27 | - |

### CCLA Fund Managers Ltd (UK)
Senator House 85 Queen Victoria Street London EC4V 4ET
**Property & Other UK Unit Trusts**
**COIF Charity Funds (UK)**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Investment Inc | 1283.01 | 1297.21 | 29.48 | 3.58 |
| Investment Acc | 11964.23 | 12096.73 | 274.95 | - |
| Ethical Invest Inc | 198.47 | 200.67 | 4.36 | 3.66 |
| Ethical Invest Acc | 246.96 | 249.70 | 5.53 | - |
| Global Equity Inc | 156.54 | 158.28 | 3.63 | 4.14 |
| Global Equity Acc | 223.78 | 226.26 | 5.22 | - |
| Fixed Interest Inc | 139.05 | 139.61 | 2.23 | 3.95 |
| Fixed Interest Acc | 773.28 | 776.38 | 12.36 | - |
| Property Inc | 108.06 | 111.68 | 0.05 | 6.06 |
| Property Acc | 232.49 | 240.28 | 0.11 | - |

**Local Authorities Property Fd (LAMIT) (UK)**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Property Fund | 270.75 | 290.82 | 2.71 | 5.07 |

### CG Asset Management Limited (IRL)
Northern Trust, George's Court, 54-62 Townsend Street, Dublin 2, Rep of Ireland
00 353 1 434 5098
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Capital Gearing Portfolio Fund Plc | £ 25758.22 | 25912.67 | 134.56 | 0.62 |
| CG Portfolio Fund Plc | | | | |
| Real Return Cls A | £ 173.51 | 173.51 | 2.31 | 2.36 |
| Dollar Fund Cls D | £ 134.25 | 134.25 | 2.21 | 1.51 |
| Capital Value Fund Cls V | £ 129.96 | 129.96 | 0.72 | 0.27 |

## Canada Life Investments

### Canada Life Investments (UK)
1-6 Lombard St, London, EC3V 9JU, Dealing: 0845 606 6180
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Asia Pacific B Acc | 958.94 | - | -1.14 | 0.85 |
| Balanced B Acc | 152.50 | - | 0.39 | 0.91 |
| Corporate Bond B Inc | 214.64 | - | 0.97 | 3.93 |
| European B Acc | 253.97 | - | -0.64 | 0.00 |
| Global Bond B Inc | 96.15 | - | -0.92 | 2.66 |
| Global Equity B Acc | 627.21 | - | -4.93 | 1.63 |
| Global High Yield Bond B Inc | 99.37 | - | -0.41 | 4.66 |
| Global Infrastructure B Acc | 127.79 | - | -0.12 | 4.04 |
| Global Resource B Acc | 89.54 | - | 1.01 | 0.12 |
| Japan B Acc | 53.73 | - | -1.02 | 0.64 |
| Portfolio III B Acc | 109.99 | - | 0.41 | 1.38 |
| Portfolio IV B Acc | 111.75 | - | 0.38 | 1.81 |
| Portfolio V B Acc | 112.77 | - | 0.18 | 1.66 |
| Portfolio VI B Acc | 115.68 | - | 0.12 | 0.22 |
| Portfolio VII B Acc | 111.99 | - | 0.33 | 0.77 |
| North American B Acc | 877.50 | - | -10.44 | 0.98 |
| Strategic Return B Acc | 108.78 | - | 1.51 | - |
| Total Return B Acc | 106.66 | - | 1.17 | 2.07 |
| UK Equity B Inc | 114.41 | - | 1.37 | 1.45 |
| UK Equity & Bond Income B Inc | 243.18 | - | 2.38 | 4.03 |
| UK Equity Income B Inc | 435.04 | - | 5.27 | 4.21 |
| UK Government Bond B Inc | 48.21 | - | 0.31 | 2.21 |

### Capita Asset Services (UK)
40 Dukes Place, London EC3A 7NH
Order Desk 0845 922 0044 Switchboard 0870 607 2555
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CF Heartwood Cautious B Acc ♦ | 131.40 | - | 0.34 | 0.36 |
| CF Heartwood Cautious Income B Inc ♦ | 114.45 | - | 0.29 | 2.11 |
| CF Heartwood Growth B Acc ♦ | 151.49 | - | 0.36 | 0.63 |
| CF Heartwood Balanced Income B Inc ♦ | 118.62 | - | 0.40 | 2.41 |
| CF Heartwood Balanced B Acc ♦ | 130.81 | - | 0.46 | 0.62 |
| CF Overseas Defensive Multi Asset Fund B Accumulation | 111.58 | - | 0.21 | 0.01 |
| CF JM Finn Gbl Opps A Acc ♦ | 284.79 | - | -1.66 | 1.50 |
| CF Richmond Core ♦ | 204.78 | - | -1.69 | 0.00 |
| CF Seneca Diversified Growth A ACC | 223.81 | - | 0.35 | 1.13 |
| CF Seneca Diversified Growth B ACC | 131.82 | - | 0.21 | 1.96 |
| CF Seneca Diversified Growth N ACC | 130.75 | - | 0.21 | 1.70 |
| CF Seneca Diversified Income A INC | 90.85 | - | 0.20 | 5.35 |
| CF Seneca Diversified Income B INC | 107.46 | - | 0.24 | 5.97 |
| CF Seneca Diversified Income N INC | 106.54 | - | 0.25 | 5.97 |

**Investment Adviser - DSM Capital Partners**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| The Westchester ♦ | £ 28.06 | - | -0.34 | 0.00 |
| The Westchester Class 1 GBP Acc | £ 20.40 | - | -0.06 | 0.00 |
| The Westchester Class 2 GBP Acc | £ 20.47 | - | -0.07 | 0.00 |

**Investment Adviser - Morant Wright Management Limited**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CF Morant Wright Japan A ♦ | 275.73 | - | -5.30 | 0.00 |
| CF Morant Wright Japan A Inc ♦ | 271.67 | - | -5.22 | 0.00 |
| CF Morant Wright Japan B ♦ | 292.36 | - | -5.61 | 0.39 |
| CF Morant Wright Japan B Inc ♦ | 277.15 | - | -5.33 | 0.40 |
| CF Morant Wright Nippon Yield A ♦ | 280.14 | - | -5.11 | 1.95 |
| CF Morant Wright Nippon Yield ACC B ♦ | 289.47 | - | -5.28 | 1.94 |
| CF Morant Wright Nippon Yield Fund A Inc ♦ | 248.74 | - | -4.54 | 1.99 |
| CF Morant Wright Nippon Yield Fund B Inc ♦ | 257.11 | - | -4.68 | 1.98 |

### Cavendish Asset Management Limited (1200)F (UK)
Chelsea House, Westgate, London W5 1DR
IFA Enquiries 020 8810 8041 Admin/Dealing 0870 870 7502
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Cavendish Opportunities Fund B Class | 1015.00 | - | 5.00 | 1.36 |
| Cavendish Opportunities Fund A Class | 1008.00 | - | 5.00 | 0.54 |
| Cavendish Opportunities Fund C Acc | 1041.00 | - | 5.00 | 1.20 |
| Cavendish Worldwide Fund B Class | 322.00 | - | -0.70 | 0.94 |
| Cavendish Worldwide Fund A Class | 321.30 | - | -0.70 | 0.15 |
| Cavendish Worldwide Fund C Acc | 328.40 | - | -0.70 | 0.80 |
| Cavendish AIM Fund B Class | 151.40 | - | -0.40 | 0.39 |
| Cavendish AIM Fund A Class | 147.40 | - | -0.30 | 0.00 |
| Cavendish Asia Pacific Fund B Class | 176.30 | - | -1.60 | 1.45 |
| Cavendish Asia Pacific Fund A Class | 175.80 | - | -1.60 | 0.66 |
| Cavendish Asia Pacific Fund C Acc | 181.30 | - | -1.70 | 1.43 |
| Cavendish European Fund B Class | 141.00 | - | 0.10 | 1.27 |
| Cavendish European Fund A Class | 139.60 | - | 0.10 | 0.37 |
| Cavendish Japan Fund B Class | 161.40 | - | -2.70 | 0.16 |
| Cavendish Japan Fund A Class | 160.30 | - | -2.70 | 0.00 |
| Cavendish North American Fund B Class | 201.20 | - | -1.80 | 0.57 |
| Cavendish Technology Fund B Class | 283.60 | - | -1.50 | 0.09 |
| Cavendish Technology Fund A Class | 270.80 | - | -1.40 | 0.00 |
| Cavendish UK Balanced Income Fund B Class | 145.10 | - | 0.60 | 5.10 |
| Cavendish UK Balanced Income Fund A Class | 138.50 | - | 0.60 | 5.34 |
| Cavendish UK Select Fund B Class | 162.20 | - | 1.50 | 1.65 |
| Cavendish UK Select Fund A Class | 161.70 | - | 1.40 | 0.86 |

### Cedar Rock Capital Limited (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Cedar Rock Capital Fd Plc | $ 342.04 | - | -18.39 | 0.00 |
| Cedar Rock Capital Fd Plc | € 364.01 | - | -0.11 | 0.00 |
| Cedar Rock Capital Fd Plc | £ 338.41 | - | 5.76 | 0.00 |

### Charles Schwab Worldwide Funds Plc (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Schwab USD Liquid Assets Fd | $ 1.00 | - | 0.00 | 0.01 |

### Chartered Asset Management Pte Ltd
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CAM-GTF Limited | $ 323131.76 | 323131.76 | -1185.34 | 0.00 |
| CAM GTi Limited | $ 753.41 | - | -16.33 | 0.00 |
| Raffles-Asia Investment Company | $ 1.94 | 1.94 | -0.03 | 6.67 |

## Cheyne Capital

### Cheyne Capital Management (UK) LLP (UK)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Cheyne Convertibles Absolute Return Fund | € 1386.58 | - | 4.23 | 0.00 |
| Cheyne European Real Estate Bond Fund | € 112.71 | - | 0.00 | 0.00 |
| Cheyne Global Credit Fund | € 121.47 | - | 0.02 | 0.00 |

### Cheyne Capital Management (UK) LLP (UK)
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Cheyne European Event Driven Fund | € 149.03 | - | 5.05 | 0.00 |
| Cheyne European High Yield Fund | € 131.46 | - | 0.28 | 0.00 |
| Cheyne Long/Short Credit Fund | $ 212.27 | - | -1.60 | - |
| Cheyne Malacca Asia Equity Fund Class A | $ 1489.26 | - | -0.04 | 0.00 |
| Cheyne Multi Strategy Liquid Fund | $ 125.09 | - | 0.42 | - |
| Cheyne Real Estate Credit Holdings Fund | € 142.88 | - | 0.71 | 0.00 |
| Cheyne Real Estate Debt Fund Class A1 | £ 130.56 | - | 0.30 | 0.00 |
| Cheyne Total Return Credit Fund - December 2017 Class | $ 201.18 | - | 10.41 | 0.00 |
| Cheyne Total Return Credit Fund December 2019 | $ 133.38 | - | -1.32 | - |

### CMI Asset Mgmt (Luxembourg) SA (LUX)
23 route d'Arlon, L-8010 Strassen Lux 00 352 3178311
**FCA Recognised**
**CMI Global Network Fund (u)**
**Regional Equity Sub Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CMI Continental Eur Equity | € 31.41 | - | 0.20 | 0.86 |
| CMI Pacific Basin Equity | $ 45.20 | - | 0.66 | 2.30 |

**Single Country Equity Sub Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CMI Japan Enhanced Equity F | ¥ 521.08 | - | -20.67 | 0.80 |
| CMI UK Equity | £ 12.69 | - | 0.14 | 2.06 |
| CMI US Enhanced Equity F | $ 80.42 | - | -0.98 | 0.55 |

**Index Tracking Sub Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Euro Equity Index Tracking | € 21.34 | - | 0.10 | 1.89 |
| Japan Index Tracking | ¥ 831.09 | - | -33.30 | 0.87 |
| UK Eqty Index Tracking | £ 16.32 | - | 0.18 | 2.81 |
| US Eqty Index Tracking | $ 59.07 | - | 0.71 | 0.77 |

**Managed Sub Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Global Bond | £ 1.52 | - | -0.01 | 0.87 |
| Global Network Mgd Global Mod | £ 2.42 | - | 0.00 | 0.20 |
| Global Equity | £ 2.68 | - | 0.00 | 0.28 |

**Bond Sub Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CMI Euro Bond F | € 48.39 | - | 0.05 | 1.77 |
| CMI UK Bond | £ 8.24 | - | 0.05 | 2.10 |
| CMI US Bond | $ 13.47 | - | 0.06 | 1.54 |

**Currency Reserve Sub Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CMI Euro Currency Reserve | € 24.96 | - | 0.00 | 0.65 |
| CMI Stlg Currency Reserve | £ 16.49 | - | 0.00 | 0.96 |
| CMI US Dlr Currency Reserve | $ 9.80 | - | 0.00 | 0.50 |
| CMI Access 80% Eur F | € 5.74 | - | 0.01 | 0.00 |

### Cohen & Steers SICAV (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| European Real Estate Securities | € 23.4056 | - | 0.1270 | 1.12 |
| Europ.RealEstate Sec. IX | € 30.8113 | - | 0.1677 | 0.00 |
| Gbl.RealEstate Sec. I | $ 11.2247 | - | 0.1423 | 0.00 |
| Gbl.RealEstate Sec. IX | $ 13.1425 | - | 0.1666 | 0.00 |

## COMGEST

### Comgest SA (LUX)
17 square Edouard VII - 75009 Paris, www.comgest.com
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Comgest Asia F | $ 4319.35 | - | 30.75 | 0.00 |
| Comgest Europe F | SFr 6004.26 | - | -8.05 | 0.00 |

### Comgest SA (FRA)
17 square Edouard VII - 75009 Paris
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Comgest Magellan | € 22.35 | - | 0.22 | 0.00 |

### Comgest AM International Ltd (IRL)
46 St Stephen's Green, Dublin 2, Ireland
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Comgest Gth Asia Pac ex Jap DIS F | $ 8.11 | - | 0.10 | 0.00 |
| Comgest Gth Emerging Mkts DIS F | $ 33.27 | - | 0.22 | 0.00 |
| Comgest Gth Europe DIS F | € 21.03 | - | -0.17 | 0.00 |
| Comgest Gth GEM PC DIS F | $ 13.27 | - | -0.02 | 0.00 |

### Consistent Unit Tst Mgt Co Ltd (1200)F (UK)
PO BOX 10117, Chelmsford, Essex, CM1 9JB
Dealing & Client Services 0845 0264281
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Consistent UT Inc | 59.19 | 59.88 | 0.61 | 4.40 |
| Consistent UT Acc | 134.03 | 135.61 | 1.63 | 4.26 |
| Practical Investment Inc | 210.93 | 215.60 | 1.12 | 3.70 |
| Practical Investment Acc | 1004.70 | 1026.93 | 5.35 | 3.60 |

### Coupland Cardiff Funds Plc (IRL)
31/32 St James's Street, London, SW1A 1HD
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CC Asia Alpha Fd - Cls A Euro | € 12.15 | 12.15 | 0.17 | 0.00 |
| CC Asia Alpha Fd - Cls A USD | $ 11.94 | 11.94 | 0.17 | 0.00 |
| CC Asia Alpha Fd - Cls C GBP | £ 11.79 | 11.79 | 0.17 | 0.00 |
| CC Asia Alpha Fd - Cls I USD | $ 9.43 | 9.43 | 0.13 | 0.00 |
| CC Asian Evolution Fd. Cls A USD | $ 14.09 | 14.09 | -0.07 | 0.00 |
| CC Asian Evolution Fd. Cls B GBP | £ 13.25 | 13.25 | -0.07 | 0.00 |
| CC Asian Evolution Fund - Cls C USD Acc | $ 15.83 | 15.83 | -0.08 | 0.00 |
| CC Japan Alpha Fd - Cls A Euro | € 11.11 | 11.11 | 0.11 | 0.00 |
| CC Japan Alpha Fd - Cls B GBP | £ 12.11 | 12.11 | 0.12 | 0.00 |
| CC Japan Alpha Fd - Cls C JPY | ¥ 1166.32 | 1166.32 | 11.47 | 0.00 |
| CC Japan Inc & Grwth Fd - Cls Acc USD | $ 17.46 | 17.46 | 0.17 | 0.00 |
| CC Japan Inc & Grwth Fd - GBP Founder Acc | £ 17.97 | 17.97 | 0.18 | 0.00 |
| CC Japan Inc & Grwth Fd - GBP Founder Inc | £ 17.06 | 17.06 | 0.18 | 0.00 |
| CC Japan Inc & Grwth Fd - JPY Founder Acc | ¥ 1817.43 | 1817.43 | 17.36 | 0.00 |
| CC Japan Inc & Grwth Fd - JPY Founder Inc | ¥ 1713.27 | 1713.27 | 16.37 | 0.00 |
| CC Japan Inc & Grwth Fd - USD Founder Acc | $ 17.87 | 17.87 | 0.17 | 0.00 |
| CC Japan Inc & Grwth Fd - USD Founder Inc | $ 16.98 | 16.98 | 0.17 | 0.00 |

## Crèdit Andorrà Asset Management

### Crèdit Andorrà Asset Management (LUX)
www.creditandorra.com
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Creditinvest SICAV Money Market Eur I | € 11.23 | - | 0.00 | 0.00 |
| Creditinvest SICAV Money Market USD A | $ 10.02 | - | 0.00 | 0.00 |
| Creditinvest SICAV Fixed Income Eur | € 11.01 | - | -0.02 | 0.00 |
| Creditinvest SICAV Fixed Income Usd | $ 10.67 | - | 0.00 | 0.00 |
| Creditinvest SICAV Spanish Value | € 278.43 | - | 0.70 | 0.00 |
| Creditinvest SICAV International Value | € 253.77 | - | 0.60 | 0.00 |
| Creditinvest SICAV Big Cap Value | € 19.28 | - | 0.03 | 0.00 |
| Creditinvest SICAV US American Value | $ 18.54 | - | 0.16 | 0.00 |
| Creditinvest SICAV Sustainability | € 16.75 | - | -0.01 | 0.00 |

### Dantrust Management (Guernsey) Ltd (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Dantrust II Limited | kr 459.40 | 459.50 | -1.10 | 0.00 |

### DAVIS Funds SICAV (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Davis Value A | $ 41.26 | - | 0.48 | 0.00 |
| Davis Global A | $ 29.69 | - | 0.36 | 0.00 |

### Discretionary Unit Fund Mngrs (1000)F (UK)
1 Poultry, London EC2R 8JR 020 7 415 4430
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Disc Inc | 1435.70 | 1480.10 | 6.10 | 0.00 |
| Do Accum | 5336.10 | 5501.20 | 22.60 | 0.00 |

## DODGE & COX WORLDWIDE FUNDS

### Dodge & Cox Worldwide Funds (IRL)
6 Duke Street,St.James,London SW1Y 6BN
www.dodgeandcox.worldwide.com 020 3713 7664
**FCA Recognised**
**Dodge & Cox Worldwide Funds plc - Global Bond Fund**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| EUR Accumulating Class | € 12.29 | - | -0.22 | - |
| EUR Accumulating Class (H) | € 9.56 | - | 0.06 | - |
| EUR Distributing Class | € 12.05 | - | -0.23 | - |
| EUR Distributing Class (H) | € 9.37 | - | 0.06 | - |
| GBP Distributing Class | £ 10.62 | - | -0.03 | - |
| GBP Distributing Class (H) | £ 9.41 | - | 0.05 | - |
| USD Accumulating Class | $ 9.60 | - | 0.05 | - |

**Dodge & Cox Worldwide Funds plc-Global Stock Fund**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| USD Accumulating Share Class | $ 17.41 | - | 0.28 | 0.00 |
| GBP Accumulating Share Class | £ 19.14 | - | 0.14 | 0.00 |
| GBP Distributing Share class | £ 14.06 | - | 0.11 | 0.61 |
| EUR Accumulating Share Class | € 24.13 | - | -0.20 | 0.00 |

**Dodge & Cox Worldwide Funds plc-International Stock Fund**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| USD Accumulating Share Class | $ 15.75 | - | 0.39 | 0.00 |
| EUR Accumulating Share Class | € 17.11 | - | 0.01 | 0.00 |

**Dodge & Cox Worldwide Funds plc-U.S. Stock Fund**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| USD Accumulating Share Class | $ 18.75 | - | 0.10 | 0.00 |
| GBP Accumulating Share Class | £ 19.50 | - | -0.06 | 0.00 |
| EUR Accumulating Share Class | € 22.46 | - | -0.43 | 0.00 |

## DOMINION FUNDS

### Dominion Fund Management Limited
PO Box 660 Ground Floor, Tudor House Le Bordage St Peter Port Guernsey - Channel Islands United Kingdom GY1 3PU
+44(0)1481 734343 investorservices@dominion-funds.com www.dominion-funds.com
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| DGT Luxury Consumer - £ I | £ 137.56 | - | 0.10 | 0.00 |
| DGT Luxury Consumer - € R | € 132.57 | - | 0.09 | 0.00 |
| DGT Managed - £ I | £ 1.19 | - | 0.00 | 0.00 |
| DGT Managed - € R | € 1.21 | - | 0.01 | 0.00 |

### Dominion Fund Management Limited
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| DX EVOLUTION PCC LIMITED - DXE BB FUND | € 122.03 | 122.03 | 3.13 | 0.00 |
| DX EVOLUTION PCC LIMITED - DXE USS FUND | $ 109.61 | 109.61 | 2.75 | 0.00 |

## 20 Years of Growing with Vietnam

### Dragon Capital Group
c/o 1901 Me Linh Point, 2 Ngo Duc Ke, District 1, Ho Chi Minh City, Vietnam
Fund information, dealing and administration: funds@dragoncapital.com
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Vietnam Enterprise Inv. (VEIL) NAV | $ 3.53 | - | -0.02 | 0.00 |
| Vietnam Growth Fund (VGF) NAV | $ 22.97 | - | -0.18 | 0.00 |
| Vietnam Property Fund (VPF) NAV | $ 0.80 | - | 0.00 | 0.00 |

### DSM Capital Partners Funds (LUX)
www.dsmsicav.com
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Global Growth I2 Acc | € 141.44 | - | 1.04 | 0.00 |

### Ecclesiastical Inv Mgt Ltd (1200)F (UK)
PO Box 3733, Swindon, SN4 4BG, 0845 604 4056
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Amity UK Cls A Inc | 214.70 | - | 1.90 | 1.43 |
| Amity UK Cls B Inc | 214.10 | - | 1.90 | 2.25 |
| Higher Income Cls A Inc | 131.60 | - | 0.40 | 4.68 |
| Higher Income Cls B Inc | 135.10 | - | 0.40 | 4.61 |
| UK Equity Growth Cls A Inc | 238.10 | - | 2.30 | 0.46 |
| UK Equity Growth Cls B Inc | 243.00 | - | 2.50 | 1.24 |
| Amity Balanced For Charities A Inc | 115.70 | - | 0.20 | 3.09 |
| Amity European Fund Cls A Inc | 208.20 | - | 0.20 | 1.23 |
| Amity European Fund Cls B Inc | 210.20 | - | 0.20 | 2.03 |
| Amity Global Equity Inc for Charities A Inc | 109.50 | - | 0.50 | 2.29 |
| Amity International Cls A Inc | 222.60 | - | -0.90 | 1.29 |
| Amity International Cls B Inc | 228.30 | - | -1.00 | 2.09 |
| Amity Sterling Bond Fund A Inc | 110.70 | - | 0.10 | 5.19 |
| Amity Sterling Bond Fund B Inc | 119.10 | - | 0.10 | 5.18 |

### Eclectica Asset Management (UK)
40 Dukes Place, London EC3A 7NH
Order Desk: 0845 6080941 Switchboard 0870 6072555
Authorised Corporate Director - Capita Financial Managers
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CF Eclectica Agriculture A EUR Acc ♦ € | 1.56 | - | 0.00 | 0.00 |
| CF Eclectica Agriculture A GBP Acc ♦ | 112.10 | - | -0.77 | 0.00 |
| CF Eclectica Agriculture A USD Acc ♦ $ | 1.67 | - | 0.02 | 0.00 |
| CF Eclectica Agriculture B GBP Acc ♦ | 114.65 | - | -0.78 | 0.00 |
| CF Eclectica Agriculture C EUR Acc ♦ € | 1.61 | - | 0.00 | 0.00 |
| CF Eclectica Agriculture C GBP Acc ♦ | 115.94 | - | -0.80 | 0.36 |
| CF Eclectica Agriculture C USD Acc ♦ $ | 1.71 | - | 0.02 | 0.00 |

### Edinburgh Partners Limited (IRL)
27-31 Melville Street, Edinburgh, Edinburgh, EH3 7JF +353 1 434 5143
Dealing - Fax only - +353 1 434 5230
**FCA Recognised**
**Edinburgh Partners Opportunities Fund PLC**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| European Opportunities I EUR | € 2.81 | - | -0.04 | 2.08 |
| European Opportunities I GBP | £ 2.03 | - | 0.00 | 2.25 |
| European Opportunities I USD | $ 3.01 | - | -0.02 | 1.82 |
| European Opportunities A EUR | € 2.76 | - | -0.03 | 1.43 |
| Global Opportunities I GBP | £ 1.71 | - | 0.02 | 1.98 |
| Global Opportunities I USD | $ 1.71 | - | 0.02 | 1.97 |
| Global Opportunities I EUR | € 1.61 | - | 0.01 | 1.94 |
| Global Opportunities A GBP | £ 1.63 | - | 0.01 | 0.86 |
| Pan European Opportunities I EUR | € 1.70 | - | -0.02 | - |

## EFG HERMES المجموعة المالية هيرميس

### EFG Hermes
DIFC, The Gate Building, West Wing Level 6, PO BOX 30727, Dubai UAE
Contact: Telephone + 971 4 363 4029 Email AMsales@EFG-HERMES.com
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| The EFG-Hermes Egypt Fund | $ 29.93 | - | - | 0.00 |
| Middle East & Developing Africa Fund (Final) | $ 19.81 | - | - | 0.00 |
| Saudi Arabia Equity Fund | SR 15.41 | - | 0.07 | 0.00 |

### Electric & General (1000)F (UK)
Stuart House St.John's Street Peterborough PE1 5DD
Orders & Enquiries: 0845 850 0255
**Authorised Inv Funds**
**Authorised Corporate Director - Carvetian Capital Management**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Electric&General Net Income A | 142.80 | - | 0.00 | 2.04 |

### Ennismore Smaller Cos Plc (IRL)
5 Kensington Church St, London W8 4LD 020 7368 4220
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Ennismore European Smlr Cos NAV | £ 89.02 | - | -0.46 | 0.00 |
| Ennismore European Smlr Cos NAV | € 122.82 | - | -1.09 | 0.00 |

### Ennismore European Smlr Cos Hedge Fd
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| NAV | € 446.70 | - | 1.97 | 0.00 |

### Equinox Fund Mgmt (Guernsey) Ltd (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Equinox Russian Opportunities Fund Limited | $ 99.74 | 103.11 | 15.69 | 0.00 |

### Euronova Asset Management UK LLP (CYM)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Smaller Cos Cls One Shares (Est) | € 33.72 | - | 0.56 | 0.00 |
| Smaller Cos Cls Two Shares (Est) | € 23.74 | - | 0.35 | 0.00 |
| Smaller Cos Cls Three Shares (Est) | € 11.95 | - | 0.17 | - |
| Smaller Cos Cls Four Shares (Est) | € 15.37 | - | 0.22 | 0.00 |

## Eurobank FMC-LUX

### Eurobank Fund Management Company (Luxembourg) S.A.
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| (LF) Absolute Return | € 1.32 | - | 0.00 | 0.00 |
| (LF) Balanced - Active Fund (RON) | RON 16.07 | - | -0.05 | 0.00 |
| (LF) Cash Fund € | € 1.31 | - | -0.02 | 0.00 |
| (LF) Cash Fund (RON) | RON 15.64 | - | -0.07 | 0.00 |
| (LF) Eq Emerging Europe | € 0.82 | - | 0.01 | 0.00 |
| (LF) Eq Flexi Style Greece | € 1.22 | - | 0.02 | - |
| (LF) Global Bond Fd | € 12.59 | - | 0.05 | 0.00 |
| (LF) Global Equities | € 1.25 | - | 0.01 | 0.00 |
| (LF) Eq Mena Fund | € 15.50 | - | -0.28 | 0.00 |
| (LF) Greek Government Bond | € 14.39 | - | -0.39 | 0.00 |
| (LF) Income Plus $ | $ 1.22 | - | 0.00 | 0.00 |
| (LF) Greek Corporate Bond | € 10.62 | - | -0.19 | 0.00 |
| (LF) FOF Balanced Blend | € 1.50 | - | 0.01 | 0.00 |
| (LF) FOF Equity Blend | € 1.40 | - | 0.00 | 0.00 |
| (LF) FOF Glob. Emerging Mkts | € 0.97 | - | 0.00 | 0.00 |
| (LF) FOF Dynamic Fixed Inc | € 12.51 | - | 0.03 | 0.00 |
| (LF) FOF Real Estate | € 17.83 | - | 0.18 | 0.00 |

## Fidelity WORLDWIDE INVESTMENT

### FIL Investment Services (UK) Limited (1200)F (UK)
130, Tonbridge Rd, Tonbridge TN11 9DZ
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181
**Authorised Inv Funds**
**Unit Trust**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Cash Accum Units | 186.25 | 186.25 | 0.00 | 0.00 |
| Cash Fund | £ 1.00 | 1.00 | 0.00 | 0.12 |
| Gross Accum Cash | £ 1.28 | 1.28 | 0.00 | 0.00 |
| MoneyBuilder Cash ISA | £ 1.00 | 1.00 | 0.00 | 0.12 |
| MoneyBuilder Global | £ 2.74 | 2.74 | -0.01 | 0.18 |

**OEIC Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| American | £ 29.81 | - | -0.16 | 0.00 |
| American Special Sits | £ 11.73 | - | -0.02 | 0.00 |
| Asia Pacific Ops W-Acc | £ 1.14 | - | -0.01 | - |
| Fidelity Asian Dividend Fund A-Accumulation | £ 1.21 | - | 0.00 | 0.48 |
| Fidelity Asian Dividend Fund A-Income | £ 1.16 | - | 0.01 | 2.59 |
| China Consumer | £ 1.59 | - | -0.01 | 0.21 |
| Emerging Asia | £ 1.31 | - | -0.01 | 0.24 |
| Emerg Eur, Mid East & Africa H | £ 1.49 | - | 0.02 | 0.85 |
| Enhanced Income - Acc | £ 1.94 | - | 0.01 | 6.63 |
| Enhanced Income - Inc | £ 1.28 | - | 0.01 | 6.78 |
| European - Inc | £ 1.49 | - | -0.01 | 2.30 |
| European | £ 16.89 | - | -0.02 | 1.55 |
| European Opportunities | £ 3.87 | - | 0.00 | 0.36 |
| Extra Income | £ 0.27 | - | 0.00 | 3.55 |
| Extra Income - Gross | £ 0.27 | - | 0.00 | 3.55 |
| Global Dividend - Acc | £ 1.61 | - | 0.00 | 2.96 |
| Global Dividend - Inc | £ 1.42 | - | -0.01 | 3.18 |
| Global Focus | £ 13.82 | - | -0.07 | 0.00 |
| Global High Yield Fund - A Gross Acc | £ 12.05 | - | 0.01 | 4.57 |
| Global High Yield Fund - A Gross Inc | £ 10.38 | - | 0.01 | 4.83 |
| Global High Yield Fund - A Net Acc | £ 11.69 | - | 0.01 | 4.64 |
| Global High Yield Fund - A Net Inc | £ 10.37 | - | 0.01 | 4.82 |
| Global Property - Acc | £ 1.60 | - | 0.01 | 1.28 |
| Global Property W Inc | £ 1.32 | - | 0.01 | 1.54 |
| Global Special Sits | £ 26.62 | - | -0.01 | 0.04 |
| Index Emerging Markets P-Acc | £ 1.14 | - | 0.00 | - |
| Index Europe ex UK P-Acc | £ 1.20 | - | 0.00 | 1.16 |
| Index Japan P-Acc | £ 1.18 | - | -0.02 | 0.02 |
| Index Pacific ex Japan P-Acc | £ 1.18 | - | 0.01 | 0.53 |
| Index UK A-Acc | £ 0.89 | - | 0.01 | 1.15 |
| Index UK P-Acc | £ 1.03 | - | 0.01 | 0.94 |
| Index US A-Acc | £ 1.69 | - | 0.00 | 1.28 |
| Index US P-Acc | £ 1.30 | - | 0.00 | 1.69 |
| Index World A-Acc | £ 1.50 | - | 0.01 | 1.55 |
| Index World P-Acc | £ 1.22 | - | 0.00 | 2.04 |
| Japan | £ 2.88 | - | -0.05 | 0.24 |
| Japan Smaller Companies | £ 2.01 | - | -0.04 | 0.00 |
| MoneyBuilder Asset Allocator | £ 1.24 | - | 0.00 | 0.50 |
| MoneyBuilder Balanced | £ 0.62 | - | 0.00 | 4.04 |
| Money Builder Dividend | £ 2.70 | - | 0.03 | 4.30 |
| MoneyBuilder Growth | £ 0.78 | - | 0.00 | 2.12 |
| MoneyBuilder Growth ISA | £ 0.79 | - | 0.01 | 2.27 |
| MoneyBuilder Income | £ 0.37 | - | 0.00 | 3.29 |
| MoneyBuilder Income -Gross | £ 0.37 | - | 0.00 | 3.29 |
| Multi Asset Allocator Adventurous A-Acc | £ 1.47 | - | 0.01 | 0.45 |
| Multi Asset Allocator Adventurous A-Inc | £ 3.81 | - | 0.04 | 2.22 |
| Multi Asset Allocator Strategic A-Acc | £ 1.23 | - | 0.00 | 0.27 |
| Multi Asset Allocator Strategic A-Inc | £ 1.14 | - | 0.01 | 1.02 |
| Multi Asset Allocator Def - Gross A | £ 1.15 | - | 0.00 | 0.27 |
| Multi Asset Allocator Def - Net A | £ 1.15 | - | 0.00 | 0.24 |
| Multi Asset Allocator Growth A | £ 1.29 | - | 0.00 | 0.00 |
| Multi Asset Defensive | £ 1.26 | - | 0.00 | 0.19 |
| Multi Asset Defensive - Gross | £ 1.26 | - | 0.00 | 0.19 |
| Multi Asset Growth | £ 1.18 | - | 0.00 | 0.00 |
| MultiManager Balanced | £ 1.09 | - | 0.00 | 0.56 |
| Multi Asset Open Growth A-Acc | £ 0.49 | - | 0.00 | 0.77 |
| Multi Asset Open Strategic A-Acc | £ 1.28 | - | 0.01 | 1.38 |
| Multi Asset Open Strategic A-Inc | £ 1.28 | - | 0.01 | 1.22 |
| Multi Asset Strategic | £ 1.59 | - | 0.01 | 0.51 |
| Open World A-Acc | £ 1.27 | - | 0.00 | 0.07 |
| Multi Asset Income A Gross Acc | £ 1.59 | - | 0.01 | 3.66 |
| Multi Asset Income A Gross Inc | £ 1.14 | - | 0.00 | 5.18 |
| Multi Asset Income A Net Acc | £ 1.50 | - | 0.00 | 3.67 |
| Multi Asset Income A Net Inc | £ 1.14 | - | 0.00 | 5.18 |
| South East Asia | £ 8.87 | - | -0.05 | 0.45 |
| Special Situations | £ 30.14 | - | 0.16 | 1.67 |
| Strategic Bond | £ 0.33 | - | 0.00 | 3.24 |
| Strategic Bond Gross | £ 0.33 | - | 0.00 | 3.24 |
| Target 2015 | £ 0.51 | - | 0.00 | 0.27 |
| Target 2015 - Gross | £ 0.51 | - | 0.00 | 0.27 |
| Target 2020 | £ 0.59 | - | 0.00 | 0.49 |
| Target 2025 | £ 1.48 | - | 0.00 | 0.48 |
| Target 2030 | £ 1.49 | - | 0.00 | 0.24 |
| UK Select | £ 2.47 | - | 0.02 | 1.08 |
| UK Growth | £ 3.65 | - | 0.04 | 0.05 |
| UK Smaller Companies | £ 3.95 | - | 0.01 | 0.46 |
| WealthBuilder A Acc | £ 1.07 | - | 0.00 | 0.61 |

**Fidelity PathFinder**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Fidelity PathFinder Foundation 1 Gross Acc (clean) | £ 1.12 | - | 0.00 | - |
| Fidelity PathFinder Foundation 1 Acc (clean) | £ 1.14 | - | 0.00 | - |
| Fidelity PathFinder Foundation 3 Acc (clean) | £ 1.15 | - | 0.00 | - |
| Fidelity PathFinder Foundation 4 Acc (clean) | £ 1.18 | - | 0.00 | - |
| Fidelity PathFinder Foundation 5 Acc (clean) | £ 1.24 | - | 0.00 | - |
| Fidelity PathFinder Focussed 1 Gross Acc (clean) | £ 1.13 | - | 0.00 | - |
| Fidelity PathFinder Focussed 1 Acc (clean) | £ 1.13 | - | 0.00 | - |
| Fidelity PathFinder Focussed 2 Acc (clean) | £ 1.16 | - | 0.00 | - |
| Fidelity PathFinder Focussed 3 Acc (clean) | £ 1.18 | - | 0.01 | - |
| Fidelity PathFinder Focussed 4 Acc (clean) | £ 1.18 | - | 0.00 | - |
| Fidelity PathFinder Focussed 5 Acc (clean) | £ 1.20 | - | -0.01 | - |
| Fidelity PathFinder Freedom 1 Gross Acc (clean) | £ 1.10 | - | 0.00 | - |
| Fidelity PathFinder Freedom 2 Acc (clean) | £ 1.11 | - | 0.01 | - |
| Fidelity PathFinder Freedom 3 Acc (clean) | £ 1.10 | - | 0.00 | - |
| Fidelity PathFinder Freedom 4 Acc (clean) | £ 1.11 | - | 0.00 | - |
| Fidelity PathFinder Freedom 5 Acc (clean) | £ 1.12 | - | 0.00 | - |
| Fidelity PathFinder Income 1 Income (clean) | £ 1.06 | - | 0.00 | 3.55 |
| Fidelity PathFinder Income 2 Gross Income (clean) | £ 1.07 | - | 0.01 | 3.76 |
| Fidelity PathFinder Income 2 Income (clean) | £ 1.07 | - | 0.01 | 3.26 |
| Fidelity PathFinder Income 2 gross | £ 1.08 | - | 0.00 | 4.26 |
| Fidelity PathFinder Income 3 Gross Income (clean) | £ 1.07 | - | 0.00 | 4.09 |
| Fidelity PathFinder Income 3 Income (clean) | £ 1.08 | - | 0.01 | 3.73 |

**Institutional OEIC Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| America | £ 4.09 | - | -0.01 | 0.40 |
| Emerging Markets | £ 3.48 | - | -0.02 | 0.50 |
| Europe | £ 4.24 | - | -0.01 | 2.37 |
| Fidelity Pre-Retirement Bond Fund | £ 120.10 | - | 0.90 | 1.55 |
| Global Focus | £ 2.93 | - | -0.02 | 0.52 |
| Index Linked Bond | £ 2.70 | - | 0.09 | 0.66 |
| Index Linked Bond Gross | £ 3.24 | - | 0.10 | 0.66 |
| Index-Linked Bond Fund Gross Inc | £ 12.71 | - | 0.40 | 0.66 |
| Japan | £ 2.17 | - | -0.03 | 0.73 |
| Long Bond | £ 0.52 | - | 0.00 | 2.82 |
| Long Bond Gross | £ 0.84 | - | 0.01 | 2.76 |
| Long Bond Fund Gross Inc | £ 11.72 | - | 0.14 | 2.81 |
| Pacific (Ex Japan) | £ 3.99 | - | 0.02 | 1.82 |
| Pan European | £ 2.76 | - | 0.01 | 1.99 |
| Reduced Duration UK Corporate Bond | £ 10.62 | - | 0.03 | 3.19 |
| Reduced Duration UK Corporate Bond Gross | £ 10.75 | - | 0.04 | 3.19 |
| Reduced Duration UK Corp Bond Gross Inc | £ 10.19 | - | 0.03 | 3.20 |
| Select Emerging Markets Equities | £ 1.34 | - | 0.00 | 0.96 |
| Select European Eqts | £ 1.73 | - | 0.01 | 1.88 |
| Select Global Equities | £ 3.15 | - | -0.01 | 0.94 |
| South East Asia | £ 3.96 | - | -0.01 | 0.68 |
| Sterling Core Plus Bond Gr Accum | £ 2.10 | - | 0.01 | 3.61 |
| Sterling Core Plus Bond Inc | £ 1.39 | - | 0.01 | 3.73 |
| UK | £ 3.63 | - | 0.03 | 1.85 |
| UK Aggr Bond Gr Accum | £ 1.84 | - | 0.01 | 3.11 |
| UK Aggregate Bond Inc | £ 1.26 | - | 0.01 | 3.17 |
| UK Corporate Bond | £ 1.27 | - | 0.01 | 3.97 |
| UK Corporate Bond - Gross | £ 2.30 | - | 0.01 | 3.84 |
| UK Corporate Bond Fund Gross Inc | £ 11.52 | - | 0.05 | 3.96 |
| UK Gilt Bond | £ 1.31 | - | 0.01 | 1.89 |
| UK Gilt Gross | £ 2.06 | - | 0.02 | 1.86 |
| UK Long Corp Bond | £ 1.45 | - | 0.01 | 4.09 |
| UK Long Corp Bond - Gross | £ 2.56 | - | 0.02 | 4.17 |
| UK Long Corporate Bond Fund - Gross Income | £ 11.61 | - | 0.09 | 4.31 |
| UK Specialist | £ 1.93 | - | 0.02 | 1.19 |

**Retail Share Classes**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Emerging Markets - retail | £ 1.39 | - | -0.01 | 0.00 |
| Europe Long Term Growth | £ 1.54 | - | 0.00 | 1.84 |

(*)CAR - Net income reinvested

### FIL Fund Management (LUX)
2a, rue Albert Borschette, BP 2175, L-1021, Luxembourg
Phone: 800 22 089, 800 22 088
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| China Consumer A-GBP | £ 15.88 | - | 0.16 | 0.00 |
| China Focus A-GBP | £ 4.59 | - | 0.06 | 0.24 |
| Global Financial Services A-GBP | £ 0.46 | - | 0.01 | 0.00 |
| Global Health Care A-GBP | £ 0.59 | - | 0.00 | 0.00 |
| Global Industrials A-GBP | £ 0.71 | - | 0.01 | 0.00 |
| Global Inflation-Linked Bd A-GBP-Hdg | £ 1.19 | - | 0.01 | 0.51 |
| Global Real Asset Securities | £ 1.52 | - | 0.01 | 0.00 |
| Global Technology A-GBP | £ 0.25 | - | 0.00 | 0.00 |
| Global Telecoms A-GBP | £ 0.29 | - | 0.00 | 1.00 |
| India Focus A-GBP | £ 5.01 | - | 0.02 | 0.00 |
| Latin America A-GBP | £ 1.60 | - | 0.03 | 0.18 |

### Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| American Fund USD Class | $ 81.24 | - | 0.61 | 0.00 |
| American Fund GBP Hedged | £ 44.24 | - | 0.33 | 0.00 |
| Latin American Fund USD Class | $ 14.33 | - | 0.39 | 0.00 |

### Fleming Financial Trust Investment Fund Limited (NZ)
Incorporated in New Zealand, Reg No 5141841
Registered address: Level 5, 3 City Road, Grafton, Auckland, 1010, New Zealand
www.fftinvestmentfund.com
info@fftinvestmentfund.com
**Other International Funds**
**Fleming FT Investment Fund**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Fleming Fund | $ 3.68 | 3.78 | 0.00 | - |

### Foord Asset Mgt (Guernsey) Ltd (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Foord International Trust | $ 34.84 | - | 0.31 | 0.00 |

### Franklin Templeton International Services Sarl (IRL)
JPMorgan House - International Financial Services Centre,Dublin 1, Ireland
**Other International Funds**
**Franklin Emerging Market Debt Opportunities Fund Plc**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Franklin Emg Mkts Debt Opp CHFSfr | 18.00 | - | 0.00 | 6.22 |
| Franklin Emg Mkts Debt Opp EUR | € 12.05 | - | 0.03 | 5.93 |
| Franklin Emg Mkts Debt Opp GBP | £ 10.52 | - | 0.00 | 6.01 |
| Franklin Emg Mkts Debt Opp SGD S$ | 23.06 | - | 0.04 | 5.96 |
| Franklin Emg Mkts Debt Opp USD | $ 17.85 | - | 0.00 | 6.03 |

### Franklin Templeton Investment Funds (LUX)
8A rue Albert Borschette L-1246 Luxembourg
www.franklintempleton.co.uk UK freephone 0 800 305 306
**FCA Recognised**
**Class A Dis**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Frk Gbl R.Estate (USD) A Dis | $ 10.34 | - | 0.21 | 2.21 |
| Frk High Yield | $ 6.71 | - | 0.00 | 5.22 |
| Frk Euro Gov. Bond | € 11.80 | - | -0.03 | 1.00 |
| Frk Euro Liquid Reserve | € 4.37 | - | 0.00 | 0.00 |
| Frk Euro Short Dur Bond Fd | € 10.23 | - | 0.00 | 0.00 |
| Frk Europ Corp Bond Fd | € 11.67 | - | 0.02 | 1.62 |
| Frk European Total Return | € 10.57 | - | -0.03 | 1.40 |
| Frk Global Aggr Inv.Grd Bond Fd | $ 10.72 | - | 0.10 | 0.00 |
| Frk Global Aggregate Bond Fd | $ 10.14 | - | 0.09 | 1.22 |
| Frk Global Income Fd | $ 10.10 | - | 0.05 | 5.32 |
| Frk Income | $ 12.57 | - | 0.14 | 2.99 |
| Frk US Government | $ 9.48 | - | 0.02 | 2.23 |
| Frk US Liquid Reserve Inc | $ 9.97 | - | 0.00 | 0.00 |
| Frk US Low Duration Fd | $ 9.90 | - | -0.01 | 0.50 |
| Frk US Total Return | $ 11.09 | - | 0.05 | 2.39 |
| Tem Asian Bond | $ 13.31 | - | 0.04 | 3.01 |
| Tem Asian Growth | $ 32.36 | - | 0.05 | 0.28 |
| Tem Emerging Markets | $ 32.29 | - | 0.46 | 0.26 |
| Tem Emerging Markets Balanced ADis | $ 7.65 | - | 0.07 | 3.50 |
| Tem Emg Mkts Bd | $ 16.53 | - | 0.06 | 6.73 |
| Tem Global | $ 35.38 | - | 0.02 | 0.45 |
| Tem Global (Euro) | € 20.12 | - | -0.19 | 0.35 |
| Tem Global Balanced | $ 23.29 | - | 0.42 | 0.61 |
| Tem Global Bond | $ 20.63 | - | -0.09 | 2.26 |
| Tem Global Bond (Euro) | € 10.29 | - | -0.04 | 2.89 |
| Tem Global Equity Income A(Mdis) | $ 10.19 | - | 0.27 | 3.82 |
| Tem Global High Yield Fd | $ 10.08 | - | 0.00 | 5.53 |
| Tem Global Income Fd | $ 14.50 | - | 0.15 | 1.58 |
| Tem Global Smaller Cos | $ 39.64 | - | 0.44 | 0.00 |
| Tem Global Total Return | $ 17.49 | - | -0.04 | 3.51 |
| Tem Latin America | $ 47.93 | - | 1.33 | 0.85 |

**Class A Acc**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Frk Biotech Discovery | $ 37.32 | - | 0.07 | 0.00 |
| Frk Brazil Opportunities Fd | $ 10.21 | - | 0.21 | 0.00 |
| Frk Euro S-Term Money Mkt Fd | € 101.16 | - | 0.00 | 0.00 |
| Frk Euroland Fund | € 20.72 | - | -0.10 | 0.00 |
| Frk European Growth | € 16.12 | - | 0.04 | 0.00 |
| Frk European Small Mid Cap Gth | € 35.88 | - | -0.11 | 0.00 |
| Frk Gbl Equity Strategies Fd | $ 11.53 | - | 0.07 | 0.00 |
| Frk Gbl Fundamental Strat Fd | € 13.29 | - | 0.18 | 0.00 |
| Frk Global Conver.Securities | $ 13.29 | - | 0.18 | 0.00 |
| Frk Global Growth | $ 14.82 | - | 0.23 | 0.00 |
| Frk Global Gth & Val | $ 15.48 | - | 0.58 | 0.00 |
| Frk Global Sml Mid Cap Gth | $ 30.38 | - | 0.62 | 0.00 |
| Frk Gold and Precious Mtls Fd F | $ 3.65 | - | -0.13 | 0.00 |
| Frk India | $ 34.39 | - | 0.34 | 0.00 |
| Frk Japan Fd | ¥ 900.87 | - | 6.92 | 0.00 |
| Frk K2 Alt Strat Fd | $ 10.61 | - | 0.01 | - |
| Frk MENA Fund | $ 6.71 | - | -0.11 | 0.00 |
| Frk Mutual Beacon | $ 73.34 | - | 0.86 | 0.00 |
| Frk Mutual European EUR | € 25.46 | - | -0.17 | 0.00 |
| Frk Mutual Gbl Disc | $ 17.93 | - | 0.33 | 0.00 |
| Frk Natural Resources Fd F | $ 7.44 | - | 0.22 | 0.00 |
| Frk Real Return Fd F | $ 10.41 | - | 0.07 | 0.00 |
| Frk Strategic Income Fd | $ 14.68 | - | 0.02 | 0.00 |
| Frk Technology | $ 11.30 | - | 0.12 | 0.00 |
| Frk U.S. Focus Fund | $ 17.36 | - | 0.16 | 0.00 |
| Frk US Equity | $ 25.43 | - | 0.22 | 0.00 |
| Frk US Opportunities | $ 12.67 | - | 0.12 | 0.00 |
| Frk US Sml Mid Cap Gth F | $ 20.59 | - | 0.17 | 0.00 |
| Frk World Perspective Fd | $ 19.95 | - | 0.35 | 0.00 |
| Tem Africa | $ 10.48 | - | 0.05 | 0.00 |
| Tem Asian Sml Comp Fd | $ 38.86 | - | 0.31 | 0.00 |
| Tem BRIC | $ 13.32 | - | 0.22 | 0.00 |
| Tem China | $ 23.27 | - | 0.25 | 0.00 |
| Tem Eastern Europe | € 19.05 | - | -0.09 | 0.00 |
| Tem Emerging Mkts Sml Comp Fd | $ 10.15 | - | 0.10 | 0.00 |
| Tem Euroland | € 20.57 | - | -0.07 | 0.00 |
| Tem European EUR | € 22.13 | - | -0.07 | 0.00 |
| Tem Frontier Mkts Fund | $ 18.01 | - | -0.05 | 0.00 |
| Tem Growth (Euro) | € 17.07 | - | -0.20 | 0.00 |
| Tem Korea | $ 5.21 | - | 0.06 | 0.00 |
| Tem Thailand | $ 21.10 | - | 0.35 | 0.00 |

### Frontier Gottex (UK)
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| FP Frontier MAP Balanced Fund | 142.89 | - | 1.08 | 0.65 |

### Frontier Capital (Bermuda) Limited
**Other International**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Commercial Property-GBP Class | £ 71.42 | - | -0.53 | - |
| Global Real Estate-GBP C Class | £ 45.26 | - | -0.50 | - |

## Fundsmith Equity Fund

### Fundsmith LLP (1200)F (UK)
PO Box 10846, Chelmsford, Essex, CM99 2BW 0330 123 1815
www.fundsmith.co.uk, enquiries@fundsmith.co.uk
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Fundsmith Equity T Acc | 212.12 | - | -0.76 | 1.09 |
| Fundsmith Equity T Inc | 201.93 | - | -0.72 | 1.10 |

### GAM Limited (2300)F (UK)
GAM Sterling Management Limited
12 St James's Place London SW1A 1NX, 0800 919 927
Internet: gam.com
**Authorised Inv Funds**
**GAM Funds OEIC**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| GAM Global Diversified Acc | 4135.63 | - | 47.67 | 0.00 |
| GAM North American Gwth Acc | 3502.37 | - | 50.50 | 0.00 |
| GAM UK Diversified Acc | 1903.59 | - | 24.87 | 1.05 |

### GAM Limited (IRL)
**FCA Recognised**
**GAM Fund Management Ltd**
Georges Court, 54-62 Townsend Street, Dublin 2 + 353 1 6093927
**GAM Star Fund Plc**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| GAM Star Asia-Pacific Eqty USD Acc F | $ 12.55 | - | 0.10 | 0.74 |
| GAM Star Asian Eqty USD Ord Acc F | $ 14.30 | - | 0.07 | 0.00 |
| GAM Star Balanced GBP Acc | £ 10.82 | - | 0.08 | - |
| GAM Star Cap Appr US Eqty USD Inc F | $ 18.61 | - | 0.21 | 0.00 |
| GAM Star Cat Bond USD Acc | $ 12.43 | - | 0.00 | 0.00 |
| GAM Star Cautious GBP Acc | £ 10.77 | - | 0.06 | - |
| GAM Star China Equity USD Acc F | $ 22.89 | - | 0.25 | 0.49 |
| GAM Star Cont European Eqty GBP Acc F | £ 3.58 | - | 0.03 | 0.00 |
| GAM Star Cred Opportunities GBP Acc | £ 12.83 | - | 0.00 | 4.07 |
| GAM Star Defensive GBP Acc | £ 11.19 | - | 0.03 | - |
| GAM Star Discretionary FX USD Acc F | $ 13.01 | - | -0.03 | 0.00 |
| GAM Star Dynamic Gbl Bd USD Acc H | $ 10.21 | - | 0.03 | 1.46 |
| GAM Star Emerging Asia USD Class ACCU | $ 12.62 | - | 0.00 | 0.47 |
| GAM Star Emerg. Market Rates USD Acc F | $ 11.47 | - | 0.00 | 0.00 |
| GAM Star European Eqty USD Acc F | $ 22.72 | - | 0.11 | 0.00 |
| GAM Star Flexible Gbl Port GBP Ac | £ 12.99 | - | 0.04 | 0.00 |
| GAM Star GAMCO US Eqty Acc F | $ 14.11 | - | 0.14 | 0.00 |
| GAM Star Global Conv Bond USD Acc F | $ 11.57 | - | 0.01 | 0.00 |
| GAM Star Global Rates USD Acc F | $ 12.69 | - | 0.05 | 0.00 |
| GAM Star Global Selector USD Acc F | $ 14.28 | - | 0.01 | 0.00 |
| GAM Star Japan Eqty USD Acc F | $ 13.03 | - | 0.11 | 0.36 |
| GAM Star Keynes Quant Strat USD Acc F | $ 12.94 | - | 0.03 | 0.00 |
| GAM Star Local EM Rates and FX USD Acc | $ 11.35 | - | 0.04 | 0.00 |
| GAM Star North of South EM Equity Acc F | $ 11.63 | - | 0.07 | 0.02 |
| GAM Star Technology USD Acc F | $ 16.48 | - | 0.15 | 0.00 |
| GAM Star US All Cap Eqty USD Acc F | $ 14.24 | - | 0.18 | 0.00 |
| GAM Star Worldwide Eqty USD Acc F | $ 3334.91 | - | 15.69 | 0.34 |

### GYS Investment Management Ltd (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Taurus Emerging Fund Ltd | $ 214.34 | 218.71 | -9.50 | 0.00 |

### Generali International Limited
PO Box 613, Generali House, Hirzel Street, St Peter Port, Guernsey, GY1 4PA 01481 714108
**International Insurances**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Global Multi-Strategy Managed | € 4.87 | 5.24 | -0.08 | 0.00 |
| UK Multi-Strategy Managed | € 4.87 | 5.24 | -0.03 | 0.00 |
| EU Multi-Strategy Managed | € 3.05 | 3.29 | 0.04 | 0.00 |
| Global Bond USD | $ 3.53 | 3.81 | -0.04 | 0.00 |

### Genesis Asset Managers LLP
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Emerging Mkts NAV | $ 6.03 | - | 0.06 | 0.00 |

### Guardian (UK)
Gdn Road, Lytham St Annes, Lancashire, FY8 4JZ 01253 733 151
**Insurances**
**Guardian Assurance**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Property Bond | £ 23.54 | 24.52 | 0.00 | - |
| Choices With-Pfts Lg-trm | 317.40 | 334.10 | 0.00 | - |
| Choices With-Pfts St-trm | 269.30 | 283.50 | 0.00 | - |
| Choices Managed | 641.85 | 675.63 | 3.25 | - |
| Choices Equity | 720.62 | 758.55 | 7.00 | - |
| Freedom With Pfts Long-Tm | 218.10 | 229.60 | 0.00 | - |
| Freedom With Pfts Short-Tm | 196.30 | 206.70 | 0.00 | - |
| Freedom Managed | 370.19 | 389.68 | 1.58 | - |
| Freedom Equity | 415.69 | 437.57 | 3.26 | - |
| Corp Pens Managed | 226.59 | 226.59 | 1.15 | - |
| Corp Pens Equity | 235.27 | 235.27 | 2.29 | - |
| Corp Pens Fixed Interest | 302.19 | 302.19 | 0.51 | - |
| Corp Pens Index Linked | 345.40 | 345.40 | 0.58 | - |
| Corp Pens Deposit | 190.36 | 190.36 | 0.00 | - |
| Corp Pens Protector | 365.43 | 365.43 | 0.64 | - |
| Corp Pens UK Index Tracker | £ 2.03 | 2.03 | 0.02 | - |

**Guardian Linked Life Assurance Ltd**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Managed Acc | £ 18.64 | 19.62 | 0.09 | - |
| Equity Acc | £ 33.81 | 35.59 | 0.27 | - |
| Fixed Interest Acc | £ 17.29 | 18.20 | 0.12 | - |
| International Acc | £ 13.79 | 14.52 | 0.05 | - |
| Nth American Acc | £ 7.09 | 7.46 | 0.03 | - |
| Pacific Acc | £ 4.28 | 4.50 | 0.02 | - |
| European Acc | £ 3.45 | 3.63 | 0.01 | - |
| Property Acc | £ 8.79 | 7.15 | 0.00 | - |
| Index-Linked Acc | £ 6.53 | 6.87 | 0.01 | - |
| Deposit Accum | £ 4.45 | 4.69 | 0.00 | - |

**Guardian Pensions Management Ltd**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Pens. Managed Acc | £ 24.24 | 25.52 | 0.12 | - |
| Pens. Equity Acc | £ 36.29 | 38.21 | 0.35 | - |

### HPB Assurance Ltd
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490
**International Insurances**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Holiday Property Bond Ser 1 | £ 0.51 | - | -0.01 | 0.00 |
| Holiday Property Bond Ser 2 | £ 0.60 | - | -0.01 | 0.00 |

### Hamon Investment Group
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Asian Market Leaders - USD | $ 27.06 | - | 0.07 | 0.00 |
| Asian Market Leaders - GBP | £ 14.25 | - | -0.05 | 0.00 |
| Greater China - USD | $ 11.22 | - | 0.04 | 0.00 |
| Greater China - GBP | £ 4.78 | - | 0.00 | 0.00 |
| Selected Asian P'folio | $ 50.60 | 50.61 | 0.21 | 0.00 |

### Hargreaves Lansdown Fd Mgrs (1100)F (UK)
PO Box 55736, 50 Bank Street, Canary Wharf London E14 1BT
Enquiries 0117 90090000
**Authorised Inv Funds**
**Hargreaves Lansdown Funds**
**Unit Trust**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Multi-Manager Spec Sits Tst ♦ | 271.90 | 286.21 | 2.02 | 0.21 |

# MANAGED FUNDS SERVICE

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| European High Income (No Trail) Inc ♦F | 125.72 | - | -0.23 | 3.40 |
| Invesco Perpetual High Yield Fund acc (No trail) | 224.99 | - | -0.13 | 4.53 |
| Invesco Perpetual High Yield Fund inc (No trail) | 171.13 | - | -0.10 | 4.63 |
| European Opportunities (No Trail) Acc ♦F | 170.62 | - | -0.63 | 0.73 |
| European Opportunities (No Trail) Inc ♦F | 161.91 | - | -0.60 | 0.73 |
| European Smaller Companies (No Trail) Acc ♦F | 216.95 | - | 0.72 | 0.51 |
| Global Balanced Index (No Trail) Acc ♦F | 161.52 | - | 1.07 | 1.75 |
| Global Bond (No Trail) Acc ♦F | 139.30 | - | -1.05 | 1.32 |
| Global Bond (No Trail) Inc ♦F | 127.38 | - | -0.96 | 1.33 |
| Glbl Distribution Acc (No Trail) | 108.58 | - | 0.25 | - |
| Glbl Distribution Inc (No Trail) | 105.80 | - | 0.25 | - |
| Global Equity (No Trail) acc ♦F | 220.41 | - | -0.51 | 0.98 |
| Global Equity (No Trail) inc ♦F | 206.27 | - | -0.47 | 0.99 |
| Global Equity Income (No Trail ) Acc ♦F | 260.08 | - | -0.13 | 3.14 |
| Global Equity Income (No Trail) Inc ♦F | 216.80 | - | -0.10 | 3.21 |
| Global ex UK Core Equity Index ( No Trail) Acc ♦F | 179.94 | - | -0.91 | 1.28 |
| Global ex UK Enhanced Index ( No Trail) Acc ♦F | 209.95 | - | -0.98 | 1.70 |
| Gbl Fin Cap No Trail Acc | 179.04 | - | 0.06 | 4.22 |
| Gbl Fin Cap No Trail Inc | 156.67 | - | 0.05 | 4.35 |
| Global Opportunities (No Trail) Acc ♦F | 257.20 | - | -0.96 | 0.97 |
| Global Smaller Companies (No Trail) Acc ♦F | 255.99 | - | -1.86 | 0.39 |
| Global Smaller Companies (No Trail) Inc ♦F | 246.23 | - | -1.78 | 0.39 |
| Global Targeted Rets (No Trail) Acc | 115.16 | - | 0.43 | 0.82 |
| High Income (No Trail) Acc ♦F | 177.10 | - | 1.43 | 3.41 |
| High Income (No Trail) Inc ♦F | 132.57 | - | 1.06 | 3.50 |
| Hong Kong & China (No Trail) Acc ♦F | 188.60 | - | -1.40 | 1.25 |
| Income & Growth (No Trail) Acc ♦F | 230.06 | - | 2.07 | 3.60 |
| Income & Growth (No Trail) Inc ♦F | 186.25 | - | 1.67 | 3.69 |
| Income (No Trail) Acc ♦F | 176.34 | - | 0.73 | 3.23 |
| Income (No Trail) Inc ♦F | 132.93 | - | 0.55 | 3.31 |
| Japan (No Trail) Acc ♦F | 154.17 | - | -2.44 | 0.79 |
| Japanese Smaller Companies (No Trail) Acc ♦F | 174.43 | - | -2.71 | 0.00 |
| Latin American (No Trail) Acc ♦F | 120.46 | - | 0.08 | 1.88 |
| Latin American (No Trail) Inc ♦F | 110.01 | - | 0.08 | 1.90 |
| Managed Growth (No Trail) Acc ♦F | 204.20 | - | -0.40 | 1.23 |
| Managed Growth (No Trail) Inc ♦F | 189.77 | - | -0.37 | 1.24 |
| Managed Income (No Trail) Acc ♦F | 197.97 | - | -0.14 | 3.09 |
| Managed Income (No Trail) Inc ♦F | 165.49 | - | -0.12 | 3.15 |
| Monthly Income Plus (No Trail) Acc ♦F | 174.15 | - | 0.08 | 4.73 |
| Monthly Income Plus (No Trail) Inc ♦F | 112.66 | - | 0.05 | 4.83 |
| Pacific (No Trail) Acc ♦F | 195.98 | - | -1.73 | 0.82 |
| Pacific (No Trail) Inc ♦F | 186.01 | - | -1.64 | 0.90 |
| Tactical Bond (No Trail) Acc ♦F | 142.99 | - | -0.16 | 2.22 |
| Tactical Bond (No Trail) Inc ♦F | 122.49 | - | -0.15 | 2.25 |
| UK Aggressive (No Trail) Acc ♦F | 174.34 | - | 2.24 | 2.23 |
| UK Aggressive (No Trail) Inc ♦F | 146.69 | - | 1.88 | 2.28 |
| UK Enhanced Index (No Trail) Acc ♦F | 416.28 | - | 4.45 | 3.20 |
| UK Enhanced Index (No Trail) Inc ♦F | 268.06 | - | 2.86 | 3.28 |
| UK Growth (No Trail) Acc ♦F | 152.87 | - | 1.67 | 2.25 |
| UK Growth (No Trail) Inc ♦F | 125.08 | - | 1.36 | 2.30 |
| UK Smaller Companies Equity (No Trail) Acc ♦F | 258.13 | - | 1.47 | 1.09 |
| UK Smaller Companies Equity (No Trail) Inc ♦F | 240.90 | - | 1.37 | 1.10 |
| UK Strategic Income (No Trail) Acc ♦F | 739.55 | - | 5.30 | 3.40 |
| UK Strategic Income (No Trail) Inc ♦F | 563.25 | - | 4.04 | 3.48 |
| US Equity (No Trail) Acc ♦F | 238.18 | - | -1.75 | 0.04 |

### Invesco (LUX)
Dublin 00 353 1 439 8100 Hong Kong 00852 3191 8282
**FCA Recognised**
**Invesco Management SA**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Invesco Active Multi-Sector Credit Fund A | € 2.95 | - | 0.00 | - |
| Invesco Asia Balanced A dist | $ 15.83 | - | 0.15 | 3.39 |
| Invesco Asia Consumer Demand Fund A income | $ 13.91 | - | 0.10 | 0.18 |
| Invesco Asia Infrastructure (A) | $ 13.51 | - | 0.12 | 1.51 |
| Invesco Asia Opportunities Equity A | $ 106.65 | - | 1.02 | 0.00 |
| Invesco Balanced Risk Allocation Fund A | € 15.75 | - | 0.14 | 0.00 |
| Invesco Capital Shield 90 (EUR) A | € 12.29 | - | 0.04 | 0.00 |
| Invesco Emerging Europe Equity Fund A | $ 8.05 | - | 0.16 | 0.00 |
| Invesco Emerging Local Currencies Debt A Inc | $ 7.89 | - | 0.11 | 6.13 |
| Invesco Emerging Mkt Quant.Eq. A | $ 10.83 | - | 0.16 | 0.00 |
| Invesco Energy A | $ 22.05 | - | 0.70 | 0.00 |
| Invesco Euro Corporate Bond Fund (A) | € 17.68 | - | 0.01 | 0.00 |
| Invesco Euro Inflation Linked Bond A | € 16.26 | - | 0.08 | 0.00 |
| Invesco Euro Reserve A | € 322.89 | - | 0.00 | 0.00 |
| Invesco European Bond A | € 7.37 | - | 0.02 | 0.00 |
| Invesco European Growth Equity A | € 25.13 | - | 0.23 | 0.00 |
| Invesco Global Absolute Return Fund A Class | € 11.62 | - | 0.00 | 0.00 |
| Invesco Global Bond A Inc | $ 5.54 | - | 0.04 | 1.12 |
| Invesco Global Equity Income Fund A | $ 61.23 | - | 1.03 | 0.00 |
| Invesco Global Inc Real Estate Sec A dist | $ 9.70 | - | 0.13 | 2.30 |
| Invesco Global Inv Grd Corp Bond A Dist | $ 11.97 | - | 0.04 | 3.05 |
| Invesco Global Leisure A | $ 37.33 | - | 0.44 | 0.00 |
| Invesco Global Smaller Comp Eq Fd A | $ 56.47 | - | 0.73 | 0.00 |

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Diversified Real Ret Acc | 54.31xd | - | 0.60 | 1.02 |
| Diversified Real Ret Inc | 53.02xd | - | 0.59 | 1.01 |
| Emerging Mkts Acc | 160.10xd | - | 0.30 | 0.65 |
| Emerging Mkts Inc | 68.87xd | - | 0.16 | 0.65 |
| Emrg Mkts Inc Acc... C | 57.73xd | - | 0.03 | 3.83 |
| Emrg Mkts Inc Inc... C | 52.52xd | - | 0.03 | 3.92 |
| Europe Acc | 1084.00xd | - | -2.00 | 1.26 |
| Europe Inc | 62.47xd | - | -0.12 | 1.28 |
| Eur Dynamic exUK Acc | 165.30xd | - | -0.10 | 0.59 |
| Eur Dynamic exUK £ hdg Acc | 192.20xd | - | 1.40 | 0.49 |
| Eur Dynamic exUK Inc | 76.04xd | - | -0.05 | 0.58 |
| Eur Smaller Cos Acc | 448.30 | - | 0.10 | 0.00 |
| Eur Smaller Cos Inc | 58.30 | - | 0.01 | 0.00 |
| Fusion Balanced Acc | 56.74 | - | 0.15 | 0.00 |
| Fusion Balanced Inc | 56.72 | - | 0.14 | 0.00 |
| Fusion Conservative Acc | 55.93 | - | 0.12 | 0.00 |
| Fusion Conservative Inc | 55.91 | - | 0.12 | 0.00 |
| Fusion Growth Acc | 58.57 | - | 0.12 | 0.00 |
| Fusion Growth Inc | 58.56 | - | 0.12 | 0.00 |
| Fusion Growth + Acc | 60.71 | - | 0.22 | 0.00 |
| Fusion Growth + Inc | 60.72 | - | 0.23 | 0.00 |
| Fusion Income Acc...C | 55.06 | - | 0.05 | 2.40 |
| Fusion Income Inc...C | 53.25 | - | 0.06 | 2.44 |
| Global Allocation A-Net Acc | 56.04 | - | 0.33 | 0.62 |
| Global Allocation A-Net Inc | 55.67 | - | 0.32 | 0.63 |
| Global Bond exUK Acc | 254.90xd | - | 1.00 | 0.71 |
| Global Bond exUK Inc | 201.20xd | - | 0.90 | 0.71 |
| Global Bond Opport. A - Net Acc | 50.33xd | - | 0.00 | - |
| Global Bond Opport. A - Net Inc | 50.27xd | - | 0.00 | - |
| Global Consumer Trends Acc | 98.09xd | - | -0.49 | 0.38 |
| Global Consumer Trends Inc | 93.11xd | - | -0.46 | 0.35 |
| Global Eq Income £ hdg Acc... C | 70.00xd | - | 0.71 | 3.63 |
| Global Eq Income £ hdg Inc ... C | 51.50xd | - | 0.53 | 3.68 |
| Global Eq Income Acc... C | 74.41xd | - | -0.16 | 3.48 |
| Global Eq Income Inc ... C | 66.19xd | - | -0.14 | 3.56 |
| Global Equity Acc | 1035.00xd | - | -4.00 | 0.14 |
| Global Equity Inc | 76.90xd | - | -0.34 | 0.13 |
| Global Financials Acc | 771.40xd | - | -6.50 | 0.75 |
| Global Financials Inc | 43.90xd | - | -0.37 | 0.75 |
| Global High Yield Bond A Mth Net Inc | 39.09xd | - | 0.01 | 6.66 |
| Global High Yield Bond Acc ... C | 99.85xd | - | 0.03 | 6.63 |
| Global High Yield Bond Inc ... C | 39.21xd | - | 0.01 | 6.63 |
| Global Property Secs Acc | 61.73xd | - | 1.19 | 0.68 |
| Global Property Secs Inc | 53.51xd | - | 1.03 | 0.68 |
| Income Fd A - Net Acc | 50.36xd | - | 0.01 | - |
| Income Fd A - Net Inc | 48.53xd | - | 0.01 | - |
| Japan Acc | 294.10xd | - | -5.30 | 0.00 |
| Japan Inc | 70.78xd | - | -1.29 | 0.00 |
| Multi-Asset Inc A Mth Net Inc | 67.66xd | - | 0.34 | 3.67 |
| Multi-Asset Inc Acc... C | 87.86xd | - | 0.44 | 3.58 |
| Multi-Asset Inc Inc... C | 67.82xd | - | 0.34 | 3.66 |
| Multi-Asset Macro Acc | 65.29xd | - | -0.08 | 0.00 |
| Multi-Asset Macro Inc | 65.29xd | - | -0.08 | 0.00 |
| Multi-Manager Growth Acc | 741.80xd | - | 4.00 | 0.45 |
| Multi-Manager Growth Inc | 692.30xd | - | 3.80 | 0.45 |
| Natural Resources Acc | 458.10xd | - | 5.50 | 0.09 |
| Natural Resources Inc | 32.44xd | - | 0.39 | 0.09 |
| New Europe Acc | 145.90xd | - | 1.00 | 2.48 |
| New Europe Inc | 34.68xd | - | 0.22 | 2.45 |
| Portfolio Acc | 208.10 | - | 0.30 | 0.94 |
| Sterling Corporate Bond Acc | 85.22xd | - | 0.31 | 2.31 |
| Sterling Corporate Bond Inc | 54.10xd | - | 0.20 | 2.31 |
| Strategic Bond Acc | 69.38xd | - | -0.04 | 2.98 |
| Strategic Bond Inc | 58.43xd | - | -0.04 | 2.98 |
| UK Active Index + E Acc | 293.50xd | - | 5.10 | 2.81 |
| UK Active Index + E Inc | 55.35xd | - | 0.97 | 2.89 |
| UK Dynamic Acc | 161.70xd | - | 2.10 | 1.32 |
| UK Dynamic Inc | 133.40xd | - | 1.70 | 1.33 |
| UK Eq & Bond Inc Acc ... C | 144.30xd | - | 1.30 | 3.14 |
| UK Eq & Bond Inc Inc ... C | 86.34xd | - | 0.77 | 3.23 |
| UK Focus Acc | 77.05xd | - | 0.85 | 1.08 |
| UK Focus Inc | 65.96xd | - | 0.73 | 1.06 |
| UK Higher Inc Acc ... C | 915.90xd | - | 10.40 | 3.83 |
| UK Higher Inc Inc ... C | 545.20xd | - | 6.20 | 3.95 |
| UK Managed Equity Acc | 69.74xd | - | 0.80 | 2.02 |
| UK Managed Equity Inc | 59.50xd | - | 0.69 | 2.05 |
| UK Smaller Cos Acc | 347.60 | - | 2.20 | 0.00 |
| UK Smaller Cos Inc | 67.49 | - | 0.42 | 0.00 |
| UK Strategic Eq Inc Acc ... C | 155.10xd | - | 1.90 | 3.24 |
| UK Strategic Eq Inc Inc ... C | 103.60xd | - | 1.30 | 3.31 |
| UK Strategic Gth Acc | 113.20xd | - | 1.30 | 1.16 |
| UK Strategic Gth Inc | 105.60xd | - | 1.20 | 1.18 |
| US Acc | 755.40xd | - | -3.30 | 0.00 |
| US Inc | 104.50xd | - | -0.50 | 0.00 |
| US Equity Income Acc ... C | 127.90xd | - | -0.80 | 1.77 |
| US Equity Income £ hdg Inc ... C | 104.30xd | - | 1.20 | 1.98 |
| US Equity Income Inc ... C | 110.30xd | - | -0.70 | 1.79 |
| US Select Acc | 118.10xd | - | -0.70 | 0.00 |
| US Select Inc | 116.60xd | - | -0.70 | 0.00 |
| US Smaller Cos Acc | 415.70 | - | -4.20 | 0.00 |
| US Smaller Cos Inc | 108.90 | - | -1.10 | 0.00 |

### JPMorgan Asset Management (Europe) S.à. r.l. (FRA)
6 route de Trèves L - 2633 Senningerberg - Luxembourg
**FCA Recognised**
**Star Capitol America**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Star Capitol America D | € 2883.70 | - | 20.19 | 0.00 |

### JPMorgan Charity Funds (UK)
60 Victoria Embankment, London EC4Y 0JP 020 7742 9175
**Property & Other UK Unit Trusts**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| UK Equity Fund for Charities I...C | £ 2.958770 | 2.970210 | 0.034150 | 3.19 |
| Bond Fund for Charities | £ 1.405760 | 1.412510 | 0.008160 | 3.56 |

### Jefferies Umbrella Fund (LUX)
11 Rue Aldringen, L-1118 Luxembourg 00 352 468193626
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Europe Convertible Bd A (Dis) - D - EUR F | € 14.09 | - | -0.01 | 0.93 |
| Europe Convertible Bd B (Cap) | € 16.19 | - | -0.02 | 0.00 |
| Global Convertible A (Dis) F | $ 19.77 | - | 0.03 | 0.00 |
| Global Convertible B (Cap) F | $ 23.48 | - | 0.04 | 0.00 |
| Global Convertible A Hdg GBP(Dis) F | £ 13.49 | - | 0.00 | 0.00 |
| Global Convertible B Hdg GBP (Cap) F | £ 15.87 | - | 0.01 | 0.00 |
| Global Convertible Hdg A (Cap) F | $ 19.95 | - | 0.01 | 0.00 |
| Global Convertible B Hdg (Dis) F | $ 23.74 | - | 0.01 | 0.00 |
| Global Convertible A Hdg EUR(Dis) F | € 15.47 | - | -0.18 | 0.25 |
| Global Convertible B Hdg EUR (Cap) F | € 17.82 | - | 0.01 | 0.00 |
| Global Convertible A Hdg CHF (Dis) FSFr | 23.68 | - | 0.01 | 0.00 |
| Global Convertible B Hdg CHF (Cap) FSFr | 26.13 | - | 0.02 | 0.00 |

### Swiss & Global Asset Management (LUX)
funds@swissglobal-am.com, www.jbfundnet.com
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| JB BF ABS-EUR B | € 105.51 | - | -0.01 | 0.00 |
| JB BF Abs Ret Def-EUR B | € 111.63 | - | -0.09 | 0.00 |
| JB BF Abs Ret EM-USD B | $ 117.61 | - | -0.13 | 0.00 |
| JB BF Abs Ret-EUR B | € 130.50 | - | -0.16 | 0.00 |
| JB BF Abs Ret Pl-EUR B | € 128.49 | - | -0.41 | 0.00 |
| JB BF EM Corporate-USD B | $ 106.56 | - | 0.16 | 0.00 |
| JB BF EM Infl Link-USD B | $ 90.16 | - | 0.33 | 0.00 |
| JB BF EM Inv Grade-USD B | $ 101.03 | - | 0.38 | 0.00 |
| JB Emerging (EUR)-EUR B | € 333.54 | - | 0.25 | 0.00 |
| JB Emerging (USD)-USD B | $ 403.00 | - | 0.58 | 0.00 |
| JB BF Local EM-USD B | $ 272.68 | - | 0.83 | 0.00 |
| JB BF Total Ret-EUR B | € 98.76 | - | -0.05 | 0.00 |
| JB EF Abs Ret Eur-EUR B | € 119.24 | - | -0.23 | 0.00 |
| JB EF Euro Value-EUR B | € 207.31 | - | -0.09 | 0.00 |
| JB EF Japan-JPY B | ¥ 17889.00 | - | -105.00 | 0.00 |
| JB EF Luxury B-EUR B | € 243.40 | - | 0.02 | 0.00 |
| JB Ms EF Special Val. EUR/A | € 154.78 | - | 2.22 | 0.72 |
| JB Strategy Balanced-CHF/B | SFr 159.04 | - | 0.50 | 0.00 |
| JB Strategy Balanced-EUR | € 165.01 | - | 0.95 | 0.00 |
| JB Strategy Balanced-USD/B | $ 135.79 | - | 0.88 | 0.00 |
| JB Strategy Growth-CHF/B | SFr 99.68 | - | 0.38 | 0.00 |
| JB Strategy Growth-EUR | € 125.84 | - | 0.86 | 0.00 |
| JB Strategy Inc-CHF/B | SFr 124.89 | - | 0.22 | 0.00 |
| JB Strategy Inc-EUR/B | € 167.68 | - | 0.65 | 0.00 |
| JB Strategy Inc-USD/B | $ 151.41 | - | 0.77 | 0.00 |

### Kames Capital ICVC (UK)
Kames House, 3 Lochside Crescent, Edinburgh, EH12 9SA
0800 45 44 22 www.kamescapital.com
**Authorised Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Diversified Income B Acc | 114.44 | - | 0.58 | 4.65 |
| Diversified Income B Inc | 108.85 | - | 0.55 | 4.78 |
| Ethical Cautious Managed A Acc | 166.56 | - | 1.28 | 1.47 |
| Ethical Cautious Managed A Inc | 139.26 | - | 1.07 | 1.49 |
| Ethical Corporate Bond A Acc | 198.83 | - | 0.79 | 3.13 |
| Ethical Corporate Bond A Inc | 114.29 | - | 0.45 | 3.13 |
| Ethical Equity A Acc | 175.93 | - | 2.07 | 1.03 |
| High Yield Bond A Acc | 116.46 | - | -0.14 | 3.86 |
| High Yield Bond A Inc | 54.33 | - | -0.06 | 3.86 |
| Inflation Linked A Acc | 137.49 | - | 1.12 | 2.15 |
| Investment Grade Bond A Acc | 162.61 | - | 0.55 | 2.96 |
| Investment Grade Bond A Inc | 120.55 | - | 0.40 | 2.96 |
| Sterling Corporate Bond A Acc | 71.15 | - | 0.25 | 2.93 |
| Sterling Corporate Bond A Inc | 32.14 | - | 0.11 | 2.93 |
| Strategic Bond A Acc | 183.90 | - | 0.11 | 2.63 |
| Strategic Bond A Inc | 123.16 | - | 0.07 | 2.63 |
| UK Equity Absolute Return A Acc | 118.57 | - | -0.14 | 0.00 |
| UK Equity A Acc | 238.61 | - | 2.82 | 1.14 |
| UK Equity Income A Acc | 210.18 | - | 2.41 | 3.82 |
| UK Equity Income A Inc | 168.48 | - | 1.93 | 3.92 |
| UK Opportunities A Acc | 173.84 | - | 2.16 | 0.99 |
| UK Smaller Companies A Acc | 251.27 | - | 1.24 | 0.27 |

### Kames Capital Investment Portfolios ICVC (UK)
Kames House, 3 Lochside Crescent, Edinburgh EH12 9SA
0800 45 44 22 www.kamescapital.com
**Authorised Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Property Income B Acc | 112.78 | - | 0.31 | - |
| Property Income B Inc | 108.58 | - | 0.30 | - |

### Kames Capital VCIC (IRL)
1 North Wall Quay, Dublin 1, Ireland +35 3162 24493
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Absolute Return Bond B GBP Acc | 1079.18 | - | 0.12 | - |
| Eq Market Neutral B Acc | 1012.02 | - | -1.23 | - |
| Eq Market Neutral Plus B Acc | 1021.06 | - | -2.32 | - |
| High Yield Global Bond A GBP Inc | 544.93 | - | -0.46 | 3.55 |
| High Yield Global Bond B GBP Inc | 1132.45 | - | -1.00 | 4.07 |
| Investment Grade Global Bd A GBP Inc | 574.32 | - | 2.60 | 2.38 |
| Kames Global Equity Income B GBP Acc | 1184.78 | - | -1.91 | - |
| Kames Global Equity Income B GBP Inc | 1154.85 | - | -1.86 | - |
| Strategic Global Bond A GBP Inc | 1128.70 | - | 2.11 | 1.58 |
| Strategic Global Bond B GBP Inc | 640.26 | - | 1.24 | 2.06 |

### Kleinwort Benson Bank (UK)
14 St. George Street, Mayfair, London W1S1FE
Dealing and enquiries: 0800 024 2400
**Authorised Inv Funds**
**Unit Trust Manager/ACD - Host Capital**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| HC KB Capital Growth A Acc | 173.09 | - | 0.70 | 1.36 |
| HC KB Capital Growth A Inc | 164.61 | - | 0.67 | 1.38 |
| HC KB Capital Growth B Acc | 164.85 | - | 0.00 | 1.10 |
| HC KB Capital Growth B Inc | 159.26 | - | 0.00 | 1.07 |
| HC KB Capital Growth C Acc | 171.88 | - | 0.00 | 2.01 |
| HC KB Capital Growth C Inc | 159.94 | - | 0.00 | 2.00 |
| HC KB Enterprise Equity Income A Inc | 113.63 | - | 0.55 | 3.78 |
| HC KB Enterprise Equity Income A Acc | 163.90 | - | 0.79 | 3.69 |
| HC KB Endeavour Multi Asset Balanced A Acc | 136.72 | - | 0.85 | 0.81 |
| HC KB Endeavour Multi Asset Balanced A Inc | 130.49 | - | 0.81 | 0.81 |
| HC KB Enterprise Fixed Income A Acc | 125.19 | - | 0.15 | 3.44 |
| HC KB Enterprise Fixed Income A Inc | 113.20 | - | 0.13 | 3.44 |

### Lloyds Investment Fund Managers Limited (1000)F (JER)
PO Box 311, 11-12 Esplanade, St Helier, Jersey, JE4 8ZU 01534 845555
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Lloydstrust Gilt | £ 12.5900 | - | 0.0700 | 2.42 |
| **Lloyds Investment Funds Limited** | | | | |
| Euro High Income | € 1.7250 | - | 0.0030 | 2.57 |
| European | £ 8.1510 | - | -0.0040 | 0.92 |
| High Income | £ 0.9111xd | - | 0.0033 | 4.89 |
| International | £ 4.5580 | - | 0.0090 | 0.98 |
| North American | £ 16.7000 | - | -0.0700 | 0.01 |
| Sterling Bond | £ 1.5440 | - | 0.0080 | 3.45 |
| UK | £ 7.3250 | - | 0.0800 | 1.39 |
| **Lloyds Gilt Fund Limited** | | | | |
| Lloyds Gilt Fund Quarterly Share | £ 1.3060 | - | 0.0070 | 1.97 |
| Monthly Share | £ 1.2550xd | - | 0.0070 | 1.97 |
| **Lloyds Money Fund Limited** | | | | |
| Sterling Class | £ 52.5470 | - | 0.0000 | 0.22 |
| **Lloyds Multi Strategy Fund Limited** | | | | |
| Conservative Strategy | £ 1.1590 | - | 0.0060 | 2.30 |
| Growth Strategy | £ 1.5790 | - | 0.0170 | 1.64 |
| Aggressive Strategy | £ 1.9330 | - | 0.0320 | 0.00 |
| Global USD Growth Strategy | $ 1.4480 | - | 0.0130 | 0.00 |

Dealing Daily

### Lombard Odier Funds (Europe) S.A (LUX)
www.loim.com
**Regulated**
**Lombard Odier Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Absolute Ret Bond (EUR) PA | € 12.20 | - | -0.01 | 0.00 |
| Absolute Ret Bond (USD) PA | $ 17.88 | - | -0.01 | 0.00 |
| All Roads (CHF) PA | SFr 18.28 | - | 0.14 | 0.00 |
| All Roads (USD) PA | $ 11.56 | - | 0.09 | 0.00 |
| All Roads (GBP) PA | £ 11.79 | - | 0.09 | 0.00 |
| All Roads (EUR) PA | € 11.74 | - | 0.10 | 0.00 |
| Alpha Japan (EUR) PA F | € 11.83 | - | 0.12 | 0.00 |
| Alpha Japan (CHF) PA F | SFr 14.83 | - | 0.14 | 0.00 |
| Alpha Japan (JPY) PA F | ¥ 1402.00 | - | 14.00 | 0.00 |
| Alpha Japan (USD) PA F | $ 16.97 | - | 0.17 | 0.00 |
| Alternative Beta PA F | SFr 120.30 | - | 0.53 | 0.00 |
| Alternative Beta PA F | € 80.72 | - | 0.35 | 0.00 |
| Alternative Beta PA F | $ 120.64 | - | 0.54 | 0.00 |
| Commodities (CHF) PA | SFr 5.88 | - | 0.03 | 0.00 |
| Commodities (EUR) PA | € 5.93 | - | 0.03 | 0.00 |
| Commodities (USD) PA | $ 6.09 | - | 0.03 | 0.00 |
| Convertible Bd P A | € 17.51 | - | 0.05 | 0.00 |
| Convertible Bd Asia PA F | SFr 13.59 | - | 0.04 | 0.00 |
| Convertible Bd Asia PA F | € 14.43 | - | 0.05 | 0.00 |
| Convertible Bd Asia PA F | $ 14.52 | - | 0.05 | 0.00 |
| Emerg. Consumer (CHF) PA | SFr 12.66 | - | 0.06 | 0.00 |
| Emerg. Consumer (EUR) PA | € 12.74 | - | 0.06 | 0.00 |
| Emerg. Consumer (USD) PA | $ 12.73 | - | 0.05 | 0.00 |
| Emerg.Eq. Risk Par.(EUR) PA | € 9.22 | - | 0.01 | 0.00 |
| Emerg. Eq. Risk Par.(USD) PA | $ 6.86 | - | 0.03 | 0.00 |
| Emerg. Loc.Cur.&Bds DH (CHF) PA | SFr 8.17 | - | 0.00 | 0.00 |
| Emerg.Loc.Cur.Bd.Fdt PA | SFr 8.95 | - | -0.07 | 0.00 |
| Emerg.Loc.Cur.Bd.Fdt PA | € 12.17 | - | -0.03 | 0.00 |
| Emerg.Loc.Cur.Bd.Fdt PA | $ 9.00 | - | 0.02 | 0.00 |
| Euro BBB-BB Fdt PA | SFr 16.02 | - | 0.00 | 0.00 |
| Euro BBB-BB Fdt PA | € 12.66 | - | 0.00 | 0.00 |
| Euro BBB-BB Fdt PA | £ 11.15 | - | 0.00 | 0.00 |
| Euro BBB-BB Fdt PA | $ 17.95 | - | 0.00 | 0.00 |
| Euro Credit Bd PA F | € 13.26 | - | 0.03 | 0.00 |
| Euro Government Fdt PA | € 12.98 | - | 0.03 | 0.00 |
| Euro Inflation-Lk Fdt PA | € 12.33 | - | -0.02 | 0.00 |
| Euro Resp.Corp. Fdt PA | € 18.70 | - | 0.03 | 0.00 |
| Europe High Conviction PA | € 11.90 | - | 0.00 | 0.00 |
| Eurozone Small&Mid Caps PA | € 50.76 | - | -0.18 | 0.00 |
| Fdmt.Eq.L/S SH Sd EUR PA | € 10.72 | - | 0.07 | - |
| Fdmt.Eq.L/S SH Sd USD PA | $ 10.71 | - | 0.06 | - |
| Gl Aggregate High Conv PA | $ 19.00 | - | 0.00 | 0.00 |
| Gbl.Gvt.Fdmt PA | € 11.09 | - | 0.01 | 0.00 |
| Gbl.Gvt.Fdmt.(CHF) PA | SFr 23.54 | - | -0.11 | 0.00 |
| Gbl.Gvt.Fdt.SH (CHF) PA | SFr 27.39 | - | 0.11 | 0.00 |
| Gbl.5B Fdmt (EUR) PA | € 12.26 | - | -0.02 | 0.00 |
| Gbl.5B Fdmt (CHF) PA | SFr 10.62 | - | -0.07 | 0.00 |
| Gbl.5B Fdmt SH (USD) PA | $ 11.21 | - | 0.02 | 0.00 |
| Generation Global (CHF) PA F | SFr 13.78 | - | -0.02 | 0.00 |
| Generation Global (EUR) PA F | € 21.44 | - | 0.10 | 0.00 |
| Generation Global (USD) PA F | $ 15.54 | - | 0.12 | 0.00 |
| Global Energy (USD) PA F | $ 8.55 | - | 0.24 | 0.00 |
| Golden Age (CHF) PA F | SFr 22.95 | - | 0.17 | 0.00 |
| Golden Age (EUR) PA | € 15.51 | - | 0.11 | 0.00 |
| Golden Age (USD) PA F | $ 21.59 | - | 0.16 | 0.00 |
| Sh.T- Money Mkt EUR PA | € 112.40 | - | 0.00 | 0.00 |
| Sh.T- Money Mkt CHF PA | SFr 129.28 | - | 0.00 | 0.00 |
| Sh.T- Money Mkt GBP PA | £ 10.25 | - | 0.00 | 0.00 |
| Sh.T- Money Mkt USD PA | $ 10.30 | - | 0.00 | 0.00 |
| Sw.Fr.Bd(For) PA | SFr 23.96 | - | 0.03 | 0.00 |
| Sw.Fr.Credit Bd(For) PA | SFr 13.77 | - | 0.01 | 0.00 |
| Tactical Alpha (CHF) PA | SFr 10.46 | - | 0.00 | 0.00 |
| Tactical Alpha (EUR) PA | € 10.72 | - | 0.00 | 0.00 |
| Tactical Alpha (USD) PA | $ 15.37 | - | 0.00 | 0.00 |
| Technology PA | € 14.04 | - | 0.13 | 0.00 |
| Technology PA | $ 21.31 | - | 0.20 | 0.00 |
| Wld Gold Expertise PAF | SFr 11.31 | - | 0.35 | 0.00 |
| Wld Gold Expertise PA | € 8.98 | - | 0.28 | 0.00 |
| Wld Gold Expertise PA | $ 11.80 | - | 0.37 | 0.00 |
| **LO Selection** | | | | |
| Balanced (CHF) PA F | SFr 111.30 | - | 0.06 | 0.00 |
| Balanced (EUR) PA F | € 131.10 | - | 0.31 | 0.00 |
| Conservative (CHF) PA F | SFr 106.45 | - | 0.08 | 0.00 |
| Conservative (EUR) PA F | € 117.59 | - | 0.17 | 0.00 |
| Global Allocation (GBP) PA F | £ 10.22 | - | 0.02 | 0.00 |
| Growth (CHF) PA F | SFr 116.95 | - | 0.02 | 0.00 |
| Growth (EUR) PA F | € 143.51 | - | 0.42 | 0.00 |
| Vantage 1500 (EUR) MA | € 10.45 | - | 0.01 | 0.00 |
| Vantage 3000 (EUR) MA | € 10.81 | - | 0.07 | 0.00 |
| **PrivilEdge** | | | | |
| Inc.Pt.RMB Dt.CNH PA | CNH 99.73 | - | -0.04 | - |
| Inc.Pt.RMB Dt.SH CHF PA | SFr 9.90 | - | 0.01 | - |
| Inc.Pt.RMB Dt.SH EUR PA | € 9.93 | - | 0.02 | - |
| Inc.Pt.RMB Dt.USD PA | $ 9.97 | - | 0.02 | - |
| Jenn. US Eq.Opp. USD PA | $ 10.29 | - | 0.15 | - |
| Neubrg.Berman US Core PA | $ 14.74 | - | 0.14 | 0.00 |
| Sands US Growth PA | € 14.39 | - | 0.15 | 0.00 |
| Sands US Growth PA | $ 17.42 | - | 0.18 | 0.00 |
| Will.Blair Gbl. Ldrs PA | € 17.09 | - | 0.08 | 0.00 |
| Will.Blair Gbl. Ldrs PA | $ 13.57 | - | 0.12 | 0.00 |

### Lothbury Property Trust (UK)
155 Bishopsgate, London EC2M 3TQ +44(0) 20 3551 4900
**Property & Other UK Unit Trusts**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Lothbury Property Trust GBP | £ 1667.73 | 1789.53 | 12.75 | 3.25 |

### M & G Securities (1200)F (UK)
PO Box 9039, Chelmsford, CM99 2XG
www.mandg.co.uk Enq: 0800 390 390, Dealing: 0800 328 3196
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Charifund Inc | 1531.54 | - | 13.77 | 4.37 |
| Charifund Acc | 20325.34 | - | 182.74 | 4.24 |
| M&G Corporate Bond A Acc | 64.05 | - | -0.19 | 2.99 |
| M&G Corporate Bond A Inc | 40.97 | - | -0.13 | 2.99 |
| M&G Dividend A Inc | 64.90 | - | 0.50 | 3.97 |
| M&G Dividend A Acc | 630.38 | - | 4.83 | 3.83 |
| M&G Episode Growth X Inc | 53.46xd | - | 0.11 | 1.86 |
| M&G Episode Income A Acc | 147.05xd | - | 0.34 | 3.26 |
| M&G Episode Income A Inc | 125.60xd | - | 0.29 | 3.32 |
| M&G Extra Income A Inc | 779.02xd | - | 6.34 | 4.13 |
| M&G Extra Income A Acc | 6201.36xd | - | 50.46 | 4.01 |
| M&G Global Basics A Inc | 682.78 | - | -2.02 | 0.27 |
| M&G Global Basics A Acc | 1030.74 | - | -3.04 | 0.27 |
| M&G Global Dividend Fund A Acc | 209.65 | - | 1.03 | 3.05 |
| M&G Global Dividend Fund A Inc | 169.59 | - | 0.83 | 3.12 |
| M&G Glbl Emrgng Mkts A Acc | 216.68xd | - | -0.23 | 0.70 |
| M&G Glbl Emrgng Mkts A Inc | 209.58xd | - | -0.23 | 0.71 |
| M&G Global Macro Bond Fund A Acc | 110.41xd | - | -1.51 | 0.51 |
| M&G Global Macro Bond Fund A Inc | 76.77xd | - | -1.05 | 0.51 |
| M&G Global High Yield Bond X Inc | 50.83xd | - | 0.07 | 4.44 |
| M&G Global High Yield Bond X Acc | 117.18xd | - | 0.14 | 4.43 |
| M&G Managed Growth X Inc | 82.89 | - | -0.10 | 0.59 |
| M&G Optimal Income A Inc | 146.17 | - | 0.33 | 2.18 |
| M&G Optimal Income A Acc | 190.05 | - | 0.43 | 2.18 |
| M&G Recovery GBP A Inc | 127.95 | - | 0.73 | 0.93 |
| M&G Recovery GBP A Acc | 286.28 | - | 1.64 | 0.92 |
| M&G Strategic Corp Bond A Inc | 75.58xd | - | 0.23 | 2.82 |
| M&G Strategic Corp Bond A Acc | 107.31xd | - | 0.34 | 2.81 |
| M&G Global Leaders GBP A Inc | 203.88xd | - | -1.18 | 1.33 |
| M&G Global Leaders GBP A Acc | 475.60xd | - | -2.75 | 1.31 |
| M&G UK Inflation Lnkd Corp Bnd A Acc | 113.20 | - | 0.17 | 0.05 |
| M&G UK Inflation Lnkd Corp Bnd A Inc | 111.57 | - | 0.16 | 0.05 |

### M & G Securities Ltd (UK)
**Property & Other UK Unit Trusts**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Charibond | 129.39 | - | 0.53 | 5.00 |
| (Accum Units) | 3683.76 | - | 15.07 | 5.00 |
| NAACIF | 80.48 | - | 0.59 | 4.25 |
| (Accum Units) | 6968.40 | - | 50.75 | 4.13 |
| M&G Property Portfolio A Acc | 126.58 | 133.24 | 0.01 | 3.91 |
| Property Portfolio A | 118.60 | 124.84 | 0.00 | 4.00 |
| Property Portfolio X | 118.60 | 118.60 | 0.00 | 4.00 |

# MANAGED FUNDS SERVICE

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CF Odey Opus Fund I Acc | 184.23 | - | -1.12 | 0.25 |
| CF Odey Opus Fund I Inc | 180.38 | - | -1.10 | 0.25 |
| CF Odey Absolute Return Fund Euro Hedged | € 1.71 | - | -0.02 | 0.00 |
| CF Odey Absolute Return Fund US Dollar Hedged | $ 1.57 | - | -0.03 | 0.00 |
| CF Odey Absolute Return I | 286.95 | - | -4.18 | 0.00 |
| CF Odey Absolute Return I | 295.80 | - | -4.30 | 0.00 |
| CF Odey Portfolio Fund Class P Institutional Acc | 109.12 | - | 0.05 | - |
| CF Odey Portfolio Fund Class P Retail Acc | 108.79 | - | 0.04 | - |
| CF Odey Portfolio Fund I Acc | 154.89 | - | 0.08 | 0.06 |
| CF Odey Portfolio Fund I Inc | 152.43 | - | 0.07 | 0.06 |
| CF Odey Portfolio Fund R Acc | 150.90 | - | 0.07 | 0.00 |
| CF Odey Portfolio Fund R Inc | 150.65 | - | 0.07 | 0.00 |

### Odey Asset Management LLP (CYM)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| OEI MAC Inc A | £ 485.63 | - | 41.00 | 0.00 |
| OEI Mac Inc B | £ 279.25 | - | 30.41 | 0.00 |
| OEI MAC Inc USD | $ 2636.95 | - | 27.47 | 0.00 |
| Odey European Inc EUR | € 1010.68 | - | 79.89 | 0.00 |
| Odey European Inc GBP A | £ 386.44 | - | 30.10 | - |
| Odey European Inc B GBP | £ 219.37 | - | 17.09 | 0.00 |
| Odey European Inc USD | $ 469.23 | - | 35.80 | 0.00 |
| Giano Capital EUR Inc | € 4612.29 | - | -39.61 | 0.00 |

### Odey Asset Management LLP (IRL)
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Odey Pan European EUR R | € 363.45 | - | -1.89 | 0.00 |
| Odey Pan European GBP R | £ 211.49 | - | 1.85 | 0.00 |
| Odey Allegra European EUR O | € 281.65 | - | -1.91 | 0.00 |
| Odey Allegra European EUR A | € 169.40 | - | -1.15 | 0.00 |
| Odey Allegra European GBP O | £ 292.68 | - | 2.11 | 0.00 |
| Odey Allegra European USD O | $ 230.51 | - | -0.13 | 0.00 |
| Odey Allegra European EUR I | € 288.57 | - | -1.83 | 0.00 |
| Odey Allegra European EUR A I | € 172.18 | - | -1.17 | 0.00 |
| Odey Allegra European GBP O | £ 176.25 | - | 1.27 | 0.00 |
| Odey Allegra International Euro Class | € 188.96 | - | -0.60 | 0.00 |
| Odey Allegra International GBP Class | £ 213.98 | - | 2.30 | 0.00 |
| Odey Allegra International USD | $ 158.23 | - | 0.47 | 0.00 |
| Odey Allegra International Euro I Class | € 172.84 | - | -0.55 | 0.00 |
| Odey Allegra International GBP D Inc | £ 193.85 | - | 2.06 | 0.00 |
| Odey Allegra International GBP A D | £ 142.92 | - | 1.53 | 0.00 |
| Odey Allegra Developed Markets Fund USD I | $ 131.17 | - | 0.37 | 0.00 |
| Odey Allegra Developed Markets Fund GBP I | £ 138.57 | - | 1.47 | 0.00 |
| Odey Atlas Fund GBP I | £ 105.25 | - | 0.25 | - |
| Odey Atlas Fund GBP I S | £ 1.26 | - | 0.00 | 0.00 |
| Odey Atlas Fund GBP R S | £ 1.08 | - | 0.01 | 0.00 |
| Odey Giano European Fund EUR R | € 118.57 | - | -0.73 | 0.00 |
| Odey Giano European Fund GBP R | £ 119.20 | - | -0.72 | 0.00 |
| Odey Giano European Fund USD R | $ 119.91 | - | -0.74 | 0.00 |
| Odey Naver Fund Euro I Class | € 130.72 | - | -0.50 | 0.00 |
| Odey Naver Fund GBP I Class | £ 131.26 | - | -0.47 | 0.00 |
| Odey Odyssey USD I | $ 168.74 | - | -0.64 | 0.00 |
| Odey Odyssey Fund GBP I | £ 168.40 | - | -0.59 | 0.00 |
| Odey Odyssey Fund GBP R | £ 165.82 | - | -0.59 | 0.00 |
| Odey Odyssey EUR I | € 151.20 | - | -0.59 | 0.00 |
| Odey Odyssey Fund EUR R | € 125.80 | - | -0.50 | 0.00 |
| Odey Odyssey Fund USD R | $ 131.36 | - | -0.50 | 0.00 |
| Odey Orion Fund Euro I Class | € 125.32 | - | 0.32 | 0.00 |
| Odey Orion Fund USD I Class | $ 125.31 | - | 0.32 | 0.00 |
| Odey Swan Fund Euro I Class | € 112.13 | - | -1.02 | 0.00 |
| Odey Swan Fund Euro R Class | € 111.10 | - | -1.01 | 0.00 |
| Odey Swan Fund GBP I Class | £ 112.30 | - | -1.03 | 0.00 |
| Odey Swan Fund GBP R Class | £ 116.69 | - | -1.07 | 0.00 |
| Odey Swan Fund USD I Class | $ 111.70 | - | -1.02 | 0.00 |
| Odey Swan Fund USD IR Class | $ 110.99 | - | -1.02 | 0.00 |
| Odey Swan Fund USD R Class | $ 110.76 | - | -1.02 | 0.00 |
| Odey European Absolute Return Fund EUR I | € 102.55 | - | -0.28 | 0.00 |
| Odey European Absolute Return Fund GBP I | £ 102.12 | - | -0.25 | 0.00 |
| Odey European Absolute Return Fund USD I | $ 102.80 | - | -0.26 | 0.00 |
| Odey European Absolute Return Fund EUR R | € 97.94 | - | -0.33 | 0.00 |
| Odey European Absolute Return Fund GBP R | £ 101.95 | - | -0.25 | 0.00 |
| Odey European Absolute Return Fund USD R | $ 102.36 | - | -0.27 | 0.00 |
| Odey Asia European Absolute Return Fund EUR I | € 102.81 | - | -0.27 | 0.00 |
| Odey European Absolute Return Fund GBP I | £ 103.41 | - | -0.25 | 0.00 |
| Odey European Absolute Return Fund USD I | $ 102.92 | - | -0.26 | 0.00 |

### Odey Wealth Management (CI) Ltd (IRL)
www.odey.com/prices
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Odey Opportunity EUR I | € 229.01 | - | -1.24 | 0.00 |

### Odey Wealth Management UK
**Authorised Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| VT Odey Total Return Fund Class A | € 105.25 | - | -0.23 | - |
| VT Odey Total Return Fund Class A | € 111.96 | - | -0.26 | - |
| VT Odey Total Return Fund Class I | £ 106.87 | - | -0.23 | - |
| VT Odey Total Return Fund Class I | £ 100.00 | - | 0.00 | - |
| VT Odey Total Return Fund Class A | £ 107.58 | - | -0.23 | - |
| VT Odey Total Return Fund Class I | £ 106.70 | - | -0.25 | - |
| VT Odey Total Return Fund Class I | £ 110.13 | - | -0.26 | - |

### Omnia Fund Ltd
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Estimated NAV | $ 979.15 | - | 107.57 | 0.00 |

OPTIMA Fund Management

### Optima Fund Management
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| JENOP Global Healthcare Fund Ltd | $ 16.12 | - | -0.06 | 0.00 |
| Optima Fd NAV (Est) | $ 93.17 | - | 1.35 | 0.00 |
| Optima Discretionary Macro Fund Limited | $ 88.27 | - | 1.66 | 0.00 |
| The Dorset Energy Fd Ltd NAV (Est) | $ 39.68 | - | -1.20 | 0.00 |
| Platinum Fd Ltd | $ 89.74 | - | -1.36 | 0.00 |
| Platinum Fd Ltd EUR | € 17.52 | - | -0.31 | 0.00 |
| Platinum Japan Fd Ltd | $ 53.13 | - | 0.20 | 0.00 |
| Optima Partners Global Fd | $ 14.79 | - | 0.02 | 0.00 |
| Optima Partners Focus Fund A | $ 17.25 | - | -0.01 | 0.00 |

### Orbis Investment Management Ltd (BMU)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Orbis Global Equity | $ 173.40 | - | -0.73 | 0.00 |
| Orbis Optimal (US$) | $ 73.76 | - | -0.77 | 0.00 |
| Orbis Optimal (Euro) | € 25.45 | - | -0.21 | 0.00 |
| Orbis Optimal (Yen) | ¥ 1057.00 | - | -10.00 | 0.00 |
| Orbis Japan Equity (US$) | $ 44.49 | - | 0.40 | 0.00 |

*Orbis Prices as of March 12th

### Orbis Sicav (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Orbis Japan Equity (Yen) | ¥ 4350.00 | - | 39.00 | 0.00 |
| Orbis Japan Equity (Euro) | € 28.77 | - | 0.26 | 0.00 |
| Orbis Global Equity - Investor Shares | $ 21.46 | - | -0.10 | 0.00 |
| Orbis Global Equity - Investor Shares | € 161.65 | - | 0.64 | 0.00 |

### Oryx International Growth Fund Ltd
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| NAV (Fully Diluted) | £ 5.48 | - | 0.04 | 0.00 |

PERMAL

### Permal Investment Mgmt Svcs Ltd
www.permal.com
**Other International Funds**
**Offshore Fund Class A US $ Shares**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Investment Holdings N.V. | $ 5929.01 | - | 127.18 | 0.00 |
| Macro Holdings Ltd | $ 4233.05 | - | 22.44 | 0.00 |
| Fixed Income Holdings N.V. | $ 405.85 | - | 5.49 | 7.88 |
| Jubilee Absolute Return Fund | $ 157.82 | - | -0.95 | 0.00 |

PICTET 1805

### Pictet Funds (Europe) SA (LUX)
15, Avenue J.F. Kennedy L-1855 Luxembourg
Tel: 0041 58 323 3000
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Pictet-Absl Rtn Fix Inc-HI EUR | € 107.76 | - | -0.17 | 0.00 |
| Pictet-Absl Rtn Glo Div-I EUR F | € 128.37 | - | 0.72 | 0.00 |
| Pictet-Agriculture-I EUR F | € 208.17 | - | 0.51 | 0.00 |
| Pictet-Asian Equities Ex Japan-I USD F | $ 229.06 | - | 2.01 | 0.00 |
| Pictet-Asian Local Currency Debt-I USD F | $ 154.30 | - | 0.82 | 0.00 |
| Pictet-Biotech-I USD F | $ 898.17 | - | -1.50 | 0.00 |
| Pictet-Brazil Index-I USD | $ 49.39 | - | 1.00 | 0.00 |
| Pictet-CHF Bonds I CHF | SFr 503.63 | - | 0.55 | 0.00 |
| Pictet-China Index-I USD | $ 118.34 | - | 1.34 | 0.00 |
| Pictet-Clean Energy-I USD F | $ 94.40 | - | 0.91 | 0.00 |
| Pictet-Digital Communication-I USD F | $ 252.63 | - | 2.94 | 0.00 |
| Pictet-Eastern Europe-I EUR F | € 297.90 | - | 1.68 | 0.00 |
| Pictet-Em Lcl Ccy Dbt-I USD F | $ 165.31 | - | 0.73 | 0.00 |
| Pictet-Emerging Markets-I USD F | $ 552.51 | - | 5.38 | 0.00 |
| Pictet-Emerging Markets Index-I USD F | $ 244.34 | - | 1.97 | 0.00 |
| Pictet-Emerging Corporate Bonds I USD | $ 105.05 | - | -0.06 | 0.00 |
| Pictet-Emerging Markets High Dividend I USD | $ 109.13 | - | 1.54 | 0.00 |
| Pictet-Emerging Markets Sust Eq I USD | $ 98.62 | - | 0.43 | 0.00 |
| Pictet-Environmental Megatrend Sel I EUR | € 170.63 | - | 0.92 | 0.00 |
| Pictet-EUR Bonds-I F | € 570.49 | - | -0.31 | 0.00 |
| Pictet-EUR Corporate Bonds Ex Fin I EUR | € 146.72 | - | 0.31 | 0.00 |
| Pictet-EUR Corporate Bonds-I F | € 203.35 | - | 0.40 | 0.00 |
| Pictet-EUR Government Bonds I EUR | € 162.36 | - | -0.02 | 0.00 |
| Pictet-EUR High Yield-I F | € 245.06 | - | -1.12 | 0.00 |
| Pictet-EUR Inflation Linked Bonds I EUR | € 130.70 | - | 0.63 | 0.00 |
| Pictet-EUR Short Mid-Term Bonds-I F | € 136.91 | - | -0.03 | 0.00 |
| Pictet-EUR Short Term HY I EUR | € 118.39 | - | -0.03 | 0.00 |
| Pictet-EUR Sov.Sht.Mon.Mkt EUR I | € 103.18 | - | 0.00 | 0.00 |
| Pictet-Euroland Index IS EUR | € 141.20 | - | -0.18 | 0.00 |
| Pictet-Europe Index-I EUR F | € 183.10 | - | 0.64 | 0.00 |
| Pictet-European Equity Selection-I EUR F | € 652.59 | - | -0.33 | 0.00 |
| Pictet-European Sust Eq-I EUR F | € 253.58 | - | 1.30 | 0.00 |
| Pictet-Generics-I USD F | $ 302.33 | - | 3.58 | 0.00 |
| Pictet-Global Bds Fundamental I USD | $ 119.99 | - | 0.55 | 0.00 |
| Pictet-Global Bonds-I EUR | € 169.61 | - | 0.18 | 0.00 |
| Pictet-Global Emerging Currencies-I USD F | $ 97.62 | - | 0.07 | 0.00 |
| Pictet-Global Emerging Debt-I USD F | $ 349.96 | - | 1.21 | 0.00 |
| Pictet-Global Megatrend Selection-I USD F | $ 234.94 | - | 1.85 | 0.00 |
| Pictet-Greater China-I USD F | $ 487.66 | - | 4.99 | 0.00 |
| Pictet-High Dividend Sel I EUR F | € 164.36 | - | 1.05 | 0.00 |
| Pictet-India Index-I USD | $ 110.77 | - | -0.51 | 0.00 |
| Pictet-Indian Equities-I USD F | $ 493.25 | - | -1.74 | 0.00 |
| Pictet-Japan Index-I JPY F | ¥ 18666.22 | - | -64.42 | 0.00 |
| Pictet-Japanese Equities Opp-I JPY F | ¥ 9796.75 | - | -38.76 | 0.00 |
| Pictet-Japanese Equity Selection-I JPY F | ¥ 15047.33 | - | -65.05 | 0.00 |
| Pictet-LATAM Index-I USD | $ 61.15 | - | 1.06 | 0.00 |
| Pictet-LATAM Lc Ccy Dbt-I USD F | $ 120.81 | - | 0.63 | 0.00 |
| Pictet-Pacific Ex Japan Index-I USD F | $ 373.34 | - | 8.89 | 0.00 |
| Pictet-Premium Brands-I EUR F | € 173.92 | - | -0.06 | 0.00 |
| Pictet-Quality Global Equities I USD | $ 136.60 | - | 1.43 | 0.00 |
| Pictet-Russia Index-I USD | $ 50.10 | - | 1.26 | 0.00 |
| Pictet-Russian Equities-I USD F | $ 42.64 | - | 0.83 | 0.00 |
| Pictet-Security-I USD F | $ 199.82 | - | 2.06 | 0.00 |
| Pictet-Select-Callisto I EUR | € 106.84 | - | 0.46 | 0.00 |
| Pictet-Small Cap Europe-I EUR F | € 1077.75 | - | 0.88 | 0.00 |
| Pictet-ST.MoneyMkt-I | € 140.56 | - | 0.00 | 0.00 |
| Pictet-ST.MoneyMkt JPY I USD | ¥ 10166.67 | - | -1.02 | 0.00 |
| Pictet-ST.MoneyMkt-ICHF | SFr 125.04 | - | 0.00 | 0.00 |
| Pictet-ST.MoneyMkt-I USD | $ 134.88 | - | 0.00 | 0.00 |
| Pictet-Timber-I USD F | $ 158.75 | - | 0.62 | 0.00 |
| Pictet Total Ret-Agora I EUR | € 109.79 | - | -0.10 | - |
| Pictet Total Ret-Corto Europe I EUR | € 133.68 | - | -0.50 | 0.00 |
| Pictet Total Ret-Divers Alpha I EUR | € 104.29 | - | -0.12 | - |
| Pictet Total Ret-Kosmos I EUR | € 109.17 | - | -0.12 | 0.00 |
| Pictet Total Ret-Mandarin I USD | $ 118.19 | - | 0.14 | 0.00 |
| Pictet-US Equity Selection-I USD | $ 198.64 | - | 2.20 | 0.00 |
| Pictet-US High Yield-I USD F | $ 147.55 | - | -0.15 | 0.00 |
| Pictet-USA Index-I USD F | $ 183.92 | - | 2.17 | 0.00 |
| Pictet-USD Government Bonds-I F | $ 639.16 | - | 3.99 | 0.00 |
| Pictet-USD Short Mid-Term Bonds-I F | $ 129.24 | - | 0.27 | 0.00 |
| Pictet-USD Sov.ST.Mon.Mkt-I | $ 102.51 | - | 0.00 | 0.00 |
| Pictet-Water-I EUR F | € 286.87 | - | 1.94 | 0.00 |

### Pimco Fds: Global Investors Series Plc (IRL)
PIMCO Europe Ltd,11 Baker Street,London W1U 3AH
http://gisnav.pimco-funds.com/
Dealing: +44 20 3640 1000
PIMCO Funds: +44 (0)20 3640 1407
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Asia Local Bond Fund - Inst Acc | $ 9.91 | - | -0.01 | 0.00 |
| Capital Securities Inst Acc | $ 14.81 | - | -0.01 | 0.00 |
| CommoditiesPLUS™ Strategy - Inst Acc | $ 7.25 | - | 0.15 | 0.00 |
| Credit Absolute Return Fund Inst Acc | $ 11.41 | - | -0.03 | 0.00 |
| Diversified Income - Inst Acc | $ 19.60 | - | 0.01 | 0.00 |
| Diversified Income Durat Hdg Fund Inst Acc | $ 11.39 | - | -0.06 | 0.00 |
| EM Fundam Ind StocksPLUS Fund Inst Acc | $ 10.43 | - | 0.11 | 0.00 |
| Emerging Asia Bond Fund Inst Acc | $ 9.86 | - | 0.04 | 0.00 |
| Emerging Multi-Asset Fund Inst Acc | $ 8.63 | - | 0.06 | 0.00 |
| Emerging Local Bond - Inst Acc | $ 11.80 | - | 0.04 | 0.00 |
| Emerging Markets Bond - Inst Acc | $ 37.85 | - | 0.03 | 0.00 |
| Emerging Markets Corp Bd Fund Inst Acc | $ 13.06 | - | 0.00 | 0.00 |
| Emerging Markets Curr Fd- Inst Acc | $ 12.14 | - | 0.02 | 0.00 |
| Euro Bond - Inst Acc | € 23.35 | - | -0.03 | 0.00 |
| Euro Credit - Inst Acc | € 15.02 | - | 0.01 | 0.00 |
| Euro Income Bond - Inst Acc F | € 13.11 | - | -0.03 | 0.00 |
| Euro Long Average Duration - Inst Acc | € 24.57 | - | 0.17 | 0.00 |
| Euro Low Duration Fund Inst Acc | € 11.44 | - | 0.00 | 0.00 |
| Euro Real Return - Inst Acc | € 13.71 | - | 0.03 | 0.00 |
| Euro Short-Term Inst Acc | € 12.35 | - | -0.01 | 0.00 |
| Euro Short-Term Inv Acc | € 11.98 | - | 0.00 | 0.00 |
| Euro Ultra Long Duration - Inst Acc | € 33.54 | - | 0.53 | 0.00 |
| Global Advantage - Inst Acc | $ 12.34 | - | 0.04 | 0.00 |
| Global Advantage Real Return Fund Inst Acc | $ 9.00 | - | 0.06 | 0.00 |
| Global Bond - Inst Acc | $ 28.23 | - | 0.08 | 0.00 |
| Global Bond Ex-US - Inst Acc | $ 19.84 | - | 0.04 | 0.00 |
| Global Fundam Index StocksPLUS Inst Acc | $ 11.85 | - | 0.10 | 0.00 |
| Global High Yield Bond - Inst Acc | $ 20.11 | - | 0.00 | 0.00 |
| Global Investment Grade Credit - Inst Income | $ 12.64 | - | 0.04 | 3.23 |
| Global Investment Grade Credit Fund Inst Acc | $ 12.14 | - | 0.01 | 0.00 |
| Global Investment Grade Credit Fund Inst Acc | $ 16.81 | - | 0.05 | 0.00 |
| Global Multi-Asset - Inst Acc | $ 15.06 | - | 0.09 | 0.00 |
| Global Real Return - Inst Acc | $ 18.41 | - | 0.27 | 0.00 |
| High Yield Bond - Inst Acc | $ 27.93 | - | 0.00 | 0.00 |
| Income Fund Inst Acc | $ 12.10 | - | 0.01 | 0.00 |
| Inflation Strategy Fund Inst Acc | $ 9.54 | - | 0.09 | 0.00 |
| Low Average Duration - Inst Acc | $ 14.81 | - | 0.02 | 0.00 |
| PIMCO EqS Emerging Markets Fund Inst Acc | $ 8.45 | - | 0.10 | 0.00 |
| PIMCO EqS Pathfinder Eur Fd Inst Acc | $ 16.34 | - | 0.09 | 0.00 |
| PIMCO EqS Pathfinder Fd Inst Acc | $ 14.45 | - | 0.12 | 0.00 |
| Socially Resp Emerg Mkts Bd Fd Inst Acc | $ 12.76 | - | 0.02 | 0.00 |
| StocksPLUS(TM) - Inst Acc | $ 23.73 | - | 0.31 | 0.00 |
| Total Return Bond - Inst Acc | $ 27.45 | - | 0.14 | 0.00 |
| UK Corporate Bond - Inst Acc | £ 17.56 | - | 0.05 | 0.00 |
| UK Long Term Corp. Bnd Inst Acc | £ 19.78 | - | 0.09 | 0.00 |
| UK Real Return - Inst Acc | £ 23.21 | - | 0.60 | 0.00 |
| UK Sterling Long Average Duration - Inst Acc | £ 22.38 | - | 0.21 | 0.00 |
| UK Sterling Low Average Duration - Inst Acc | £ 14.21 | - | -0.01 | 0.00 |
| Unconstrained Bond - Inst Acc | $ 12.19 | - | -0.02 | 0.00 |
| US Fundam Index StocksPLUS Inst Inc | $ 12.88 | - | 0.17 | 0.00 |

PLATINUM CAPITAL MANAGEMENT

### Platinum Capital Management Ltd
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Platinum All Star Fund - A (Est) | $ 117.32 | - | - | - |
| Platinum Global Dividend Fund - A (Est) | $ 63.81 | - | - | - |
| Platinum Global Dividend UCITS Fund | $ 76.13 | 76.13 | 0.50 | 6.60 |
| Platinum Ashoka Advgs Opportunities Fund Ltd Class A | $ 84.00 | - | - | - |
| Platinum Essential Resources UCITS Fund | $ 6.60 | 6.60 | 0.05 | - |
| Platinum Maverick Enhanced Fund Limited (Est) | $ 100.36 | - | - | 0.00 |
| Platinum Navigator Fund Ltd Class A | $ 93.23 | - | - | - |

POLAR CAPITAL

### Polar Capital Funds Plc (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Asian Financials I USD | $ 308.66 | 308.66 | 1.38 | 0.00 |
| Biotechnology I USD | $ 19.14 | 19.14 | 0.14 | 0.00 |
| European Income Acc EUR | € 12.16 | 12.16 | 0.03 | - |
| Financial Opps I USD | $ 12.43 | - | 0.04 | 1.91 |
| GEM Growth I USD | $ 9.64 | - | 0.15 | 0.00 |
| GEM Income I USD | $ 10.87 | - | 0.15 | 0.00 |
| Global Alpha I USD | $ 13.29 | 13.29 | 0.11 | 0.00 |
| Global Convertible I USD | $ 11.57 | 11.57 | 0.01 | 0.00 |
| Global Insurance I GBP | £ 4.05 | - | 0.05 | 0.00 |
| Global Technology I USD | $ 23.12 | - | 0.29 | 0.00 |
| Healthcare Blue Chip Fund I USD Acc | $ 11.22 | 11.22 | 0.10 | - |
| Healthcare Opps I USD | $ 40.39 | - | 0.57 | 0.00 |
| Income Opportunities B2 I GBP Acc | £ 1.73 | 1.73 | 0.02 | 0.00 |
| Japan Alpha I JPY | ¥ 207.83 | 207.83 | -0.62 | 0.00 |
| Japan I JPY | ¥ 2077.29 | - | -21.06 | 0.00 |
| North American I USD | $ 17.89 | 17.89 | 0.17 | 0.00 |
| UK Absolute Equity I GBP | £ 10.70 | 10.70 | -0.04 | - |

### Polar Capital LLP (CYM)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| ALVA Convertible A USD | $ 127.51 | - | 1.16 | 0.00 |
| European Conviction A EUR | € 159.14 | - | -5.67 | 0.00 |
| European Forager A EUR | € 174.69 | - | -6.35 | 0.00 |

### Polunin Capital Partners Ltd
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Developing Countries 'A' | $ 38.29 | - | 0.63 | 0.00 |
| Emerging Markets Active | $ 43.54 | - | 1.09 | - |
| Luxcellence Em Mkts Tech | $ 1007.93 | - | 1.07 | 0.00 |
| Polunin Developing Countries | $ 846.95 | 854.05 | 4.39 | 0.00 |
| Polunin Discovery - Frontier Markets | $ 1458.64 | - | -16.06 | - |
| Polunin Small Cap | $ 1421.71 | 1439.48 | 25.45 | 0.00 |

### Private Fund Mgrs (Guernsey) Ltd (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Monument Growth 17/03/2015 | £ 472.19 | 477.62 | 4.76 | 1.05 |

### Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Prusik Asian Equity Income B Dist | $ 163.43 | - | 1.45 | 4.52 |
| Prusik Asia A | $ 205.36 | - | 2.22 | 0.00 |
| Prusik Asian Smaller Cos A | $ 156.80 | - | 0.15 | 0.00 |

### Purisima Investment Fds (UK) (1200)F (UK)
40 Dukes Place, London EC3A 7NH
Order Desk 08459 220044, Enquiries: 0870 607 2555
**Authorised Inv Funds**
**Authorised Corporate Director - Capita Financial Managers**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Global Total Fd PCG A | 169.85 | - | -0.65 | 0.34 |
| Global Total Fd PCG B | 168.62 | - | -0.65 | 0.12 |
| Global Total Fd PCG INT | 166.71 | - | -0.64 | 0.00 |

### Purisima Investment Fds (CI) Ltd (JER)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| PCG B ♦ | 170.04 | - | 2.78 | 0.00 |
| PCG C ♦ | 167.88 | - | 2.75 | 0.00 |

### Putnam Investments (Ireland) Ltd (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Putnam New Flag Euro High Yield Plc - E | € 142.67 | - | -4.07 | 4.73 |

### Rathbone Unit Trust Mgmt (1200)F (UK)
PO Box 9948, Chelmsford, CM99 2AG
Order Desk: 0845 300 2101, Enquiries: 0207 399 0399
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Blue Chip Income Inc | 160.11 | 165.27 | 1.44 | 3.97 |
| Blue Chip Income Acc | 232.48 | 239.77 | 2.09 | 3.85 |
| Ethical Bond Inc | 94.08 | 96.17 | 0.20 | 4.81 |
| Ethical Bond Acc | 175.03 | 178.62 | 0.36 | 4.68 |
| Global Opportunities Acc | 135.17 | 139.47 | -0.11 | 0.00 |
| Income Inc | 891.10 | 921.73 | 4.79 | 3.82 |
| Income Acc | 1336.93 | 1381.90 | 7.18 | 3.71 |
| Multi Asset Enhanced Growth Acc | 130.08 | - | -0.17 | 0.00 |
| Multi Asset Strategic Growth inc | 153.66 | - | -0.09 | 1.17 |
| Multi Asset Strategic Growth acc | 161.45 | - | -0.09 | 1.02 |
| Multi Asset Total Return inc | 128.85 | - | 0.12 | 1.63 |
| Multi Asset Total Return acc | 140.08 | - | 0.13 | 1.75 |
| Recovery Inc | 427.68 | 443.67 | 5.08 | 2.29 |
| Recovery Acc | 504.45 | 522.90 | 5.99 | 2.25 |
| Strategic Bond Ret Acc | £ 1.19 | 1.21 | 0.00 | 3.86 |
| Strategic Bond Ret Inc | £ 1.07 | 1.09 | 0.00 | 3.90 |

### RECM Global Management Limited (GSY)
www.recmglobal.com Enquiries: info@recmglobal.com
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| RECM Global Fund Limited - Class A | $ 17.17 | - | 0.09 | 0.00 |
| RECM Global Equity Fund Limited - Class A | $ 8.80 | - | 0.07 | 0.00 |

ROBECO The Investment Engineers

### Robeco Asset Management (LUX)
Coolsingel 120, 3011 AG Rotterdam, The Netherlands.
www.robeco.com/contact
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Asia-Pacific Equities (EUR) | € 146.75 | - | -0.58 | 0.00 |
| Chinese Equities (EUR) | € 86.27 | - | 0.23 | 0.00 |
| Em Stars Equities (EUR) | € 201.49 | - | 1.53 | 0.00 |
| Emerging Markets Equities (EUR) | € 169.16 | - | 1.27 | 0.00 |
| Flex-o-Rente (EUR) | € 108.35 | - | 0.07 | 0.00 |
| Glob.Consumer Trends Equities (EUR) | € 161.26 | - | -0.72 | 0.00 |
| High Yield Bonds (EUR) | € 125.33 | - | 0.17 | 0.00 |
| Lux -O- Rente (EUR) | € 139.95 | - | 0.77 | 0.00 |
| New World Financials (EUR) | $ 57.90 | - | -0.01 | 0.00 |
| US Premium Equities (EUR) | € 186.32 | - | 2.13 | 0.00 |
| US Premium Equities (USD) | $ 208.85 | - | 2.39 | 0.00 |

### Royal Bank of Scotland (2230)F (UK)
PO Box 23873, Edinburgh EH7 5WJ 0800 917 7072
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| **Series 5 (Minimum Initial Investment £75,000)** | | | | |
| United Kingdom Equity Index Fund | £ 16.95 | - | 0.25 | 2.44 |
| UK Specialist Equity Inc | £ 20.10 | - | 0.17 | 0.34 |
| Contl Europe Specialist Fund | £ 24.48 | - | 0.09 | 0.00 |
| Japan Specialist Fund ✠ | £ 15.29 | - | 0.10 | 0.00 |
| US Spec Equity Fund | £ 19.62 | - | 0.27 | 0.00 |
| Pacific Basin Specialist Equity Fund | £ 44.55 | - | 0.09 | 0.58 |
| UK Sovereign Bd Index Fund | £ 10.92 | - | 0.07 | 2.47 |
| Inflation Lkd Sov Bd Fund | £ 12.93 | - | 0.31 | 0.70 |
| UK Specialist Equity Income Fund | £ 10.23 | - | 0.07 | 3.38 |
| Global Emerg Mkts Equity Fund ✠ | £ 12.65 | - | 0.00 | 0.43 |
| Global Spec Inv Grade Bd Fund GBP | £ 10.10 | - | 0.05 | 3.10 |
| **Series 6 (Investment Management Customers Only)** | | | | |
| United Kingdom Equity Index Fund | £ 16.74 | - | 0.24 | 2.78 |
| UK Specialist Equity | £ 20.32 | - | 0.17 | 1.48 |
| Contl Europe Specialist Fund | £ 25.33 | - | 0.09 | 0.59 |
| Japan Specialist Fund ✠ | £ 16.01 | - | 0.11 | 0.50 |
| US Spec Equity Fund | £ 20.40 | - | 0.29 | 0.15 |
| Pacific Basin Specialist Equity Fund | £ 44.27 | - | 0.10 | 1.14 |
| UK Sovereign Bd Index Fund | £ 11.01 | - | 0.07 | 2.47 |
| Inflation Lkd Sov Bd Fund | £ 12.78 | - | 0.30 | 0.70 |
| UK Specialist Equity Income Fund | £ 10.98 | - | 0.09 | 3.33 |
| Global Spec Inv Grade Bd Fund GBP | £ 10.34 | - | 0.05 | 3.10 |
| Global Emerg Mkts Equity Fund ✠ | £ 12.62 | - | 0.00 | 0.61 |

Address and telephone number for Series 5 only

### Royal London Unit Managers (CIS) (1200) F (UK)
PO Box 105, Manchester M4 8BB 08457 464646
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CIS Sustainable Diversified Trust A | £ 1.62 | - | 0.01 | 1.72 |
| CIS Sustainable World Trust A | 176.10 | - | 0.60 | 0.76 |
| Corporate Bd Inc Tst | 93.56 | 98.48 | 1.03 | 4.03 |
| European Growth ✠ | 108.00 | 113.70 | -0.50 | 1.70 |
| Sustainable Leaders ✠ A | 479.00 | - | 4.70 | 0.67 |
| UK Growth ✠ | 509.20 | 536.00 | 6.30 | 1.06 |
| UK Income With Growth ✠ | 240.80 | 253.50 | 2.40 | 4.33 |
| US Growth | 162.00 | 170.40 | -1.00 | 0.00 |

Additional Funds Available
Please see www.cis.co.uk for details

### RBS Collective Investment Fds Ltd (UK)
PO Box 9908, Chelmsford, CM99 2AF 0845 300 2585
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Balanced Acc ♦ | 365.00 | - | 1.00 | 1.22 |
| Balanced Inc ♦ | 296.40 | - | 0.80 | 1.22 |
| Equity Income ♦ | 341.40 | - | 3.60 | 3.79 |
| Extra Income ♦ | 110.00 | - | 0.50 | 3.01 |
| FTSE 100 Tracker Special 1 ♦ | 309.80 | - | 3.60 | 2.92 |
| FTSE 100 Tracker Special 3 ♦ | 214.70 | - | 2.50 | 2.69 |
| FTSE 100 Tracker Standard ♦ | 293.00 | - | 3.50 | 2.46 |
| Growth ♦ | 326.50 | - | 3.70 | 1.86 |
| High Yield ♦ | 127.20 | - | 0.50 | 3.46 |
| International Growth ♦ | 432.40 | - | -1.60 | 0.63 |
| Stakeholder Investment ♦ | 172.70 | - | 1.50 | 1.36 |
| Adventurous Growth ♦ | 156.10 | - | 0.60 | 0.50 |
| Balanced Growth ♦ | 151.50 | - | 0.50 | 0.70 |
| Cautious Growth ♦ | 138.10 | - | 0.50 | 1.10 |
| Income ♦ | 126.40 | - | 0.50 | 2.20 |
| Capital Protected Accelerator Fund 2 ♦ | 125.30 | - | 3.00 | 0.00 |
| Capital Protected Accelerator Fund 3 ♦ | 117.10 | - | 2.90 | 0.00 |
| Capital Protected Fund 4 ♦ | 133.90 | - | 3.20 | 0.00 |
| Capital Protected Fund 6 ♦ | 172.20 | - | 0.00 | 0.00 |
| Your Portfolio Fund II Class 1 | 114.10 | - | 0.50 | 0.90 |
| Your Portfolio Fund II Class 2 | 113.80 | - | 0.50 | 1.00 |
| Your Portfolio Fund III Class 1 | 120.80 | - | 0.50 | 0.90 |
| Your Portfolio Fund III Class 2 | 120.80 | - | 0.60 | 1.00 |
| Your Portfolio Fund IV Class 1 | 127.30 | - | 0.60 | 0.80 |
| Your Portfolio Fund IV Class 2 | 127.00 | - | 0.60 | 1.10 |
| Your Portfolio Fund V Class 1 | 132.70 | - | 0.80 | 0.50 |
| Your Portfolio Fund V Class 2 | 132.40 | - | 0.80 | 0.90 |
| Your Portfolio Fund VI Class 1 | 132.70 | - | 0.90 | 0.50 |
| Your Portfolio Fund VI Class 2 | 133.10 | - | 0.90 | 0.90 |

### Ruffer LLP (1000)F (UK)
40 Dukes Place, London EC3A 7NH
Order Desk and Enquiries: 0845 601 9610
**Authorised Inv Funds**
**Authorised Corporate Director - Capita Financial Managers**
**CF Ruffer Investment Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| CF Ruffer Gold Fund O Inc | 80.00 | - | 2.54 | 0.00 |
| CF Ruffer Gold Fund O Acc | 79.35 | - | 2.51 | 0.00 |
| Equity & General C Acc | 386.39 | - | 3.42 | 0.25 |
| Equity & General C Inc | 356.59 | - | 3.16 | 0.25 |
| Equity & General O Acc | 355.77 | - | 3.13 | 0.00 |
| Equity & General O Inc | 383.38 | - | 3.37 | 0.00 |
| European C Acc | 501.01 | - | 5.44 | 0.22 |
| European O Acc | 497.17 | - | 5.38 | 0.00 |
| Japanese Fund C Acc | 196.92 | - | 12.18 | 0.01 |
| Japanese Fund O Acc ♦ | 195.18 | - | 12.06 | 0.00 |
| Pacific C Acc | 310.08 | - | 11.43 | 0.45 |
| Pacific O Acc | 307.41 | - | 11.31 | 0.17 |
| Total Return C Acc | 404.71 | - | 10.70 | 1.35 |
| Total Return C Inc | 293.06 | - | 8.35 | 1.36 |
| Total Return O Inc | 290.77 | - | 8.28 | 1.36 |
| Total Return O Acc | 401.54 | - | 10.58 | 1.34 |

S. W. MITCHELL CAPITAL

### S W Mitchell Capital LLP (CYM)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| S W Mitchell European Fund Class A EUR | € 316.34 | - | 17.44 | - |
| S W Mitchell Small Cap European Fund Class A EUR | € 219.35 | - | 3.36 | - |
| The Charlemagne Fund EUR | € 310.25 | - | 30.37 | - |

### S W Mitchell Capital LLP (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| SWMC European Fund B EUR | € 18164.35 | - | -92.02 | 0.00 |
| SWMC UK Fund B | £ 18814.33 | - | 18.52 | - |
| SWMC Small Cap European Fund B EUR | € 13366.11 | - | -92.89 | 0.00 |
| SWMC Emerging European Fund B EUR | € 8999.98 | - | -50.53 | 0.00 |

ROBECOSAM Sustainability Investing

### RobecoSAM (LUX)
Tel. +41 44 653 10 10 http://www.robecosam.com/
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| RobecoSAM Sm.Energy/A | € 13.12 | - | 0.12 | 1.17 |
| RobecoSAM Sm.Materials/A | € 139.77 | - | 1.30 | 1.85 |
| RobecoSAM Gl.Small Cap Eq/A | € 86.82 | - | 1.03 | 1.65 |
| RobecoSAM Sustainable Gl.Eq/B | € 192.43 | - | 0.78 | 0.00 |
| RobecoSAM S.HealthyLiv/B | € 196.08 | - | 0.74 | 0.00 |
| RobecoSAM S.Water/A | € 174.55 | - | 2.68 | 2.23 |

Santander ASSET MANAGEMENT

### Santander Asset Management UK Limited (1200)F (UK)
287 St Vincent Street, Glasgow G2 5NB, 0845 6000 181
**Authorised Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| **Santander Atlas Range** | | | | |
| Santander Atlas Port 3 Acc Ret | 151.60 | - | 0.30 | - |
| Santander Atlas Port 3 Inc Ret | 106.00 | - | 0.20 | - |
| Santander Atlas Port 3 Acc Inst | 166.20 | - | 0.30 | - |
| Santander Atlas Port 4 Acc Ret | 186.30 | - | 0.30 | - |
| Santander Atlas Port 4 Inc Ret | 135.10 | - | 0.30 | - |
| Santander Atlas Port 4 Acc Inst | 168.80 | - | 0.30 | - |
| Santander Atlas Port 5 Acc Ret | 199.50 | - | 0.70 | - |
| Santander Atlas Port 5 Acc Inst | 168.90 | - | 0.50 | - |
| Santander Atlas Port 6 Acc Ret | 276.60 | - | 1.10 | - |
| Santander Atlas Port 6 Acc X | 197.50 | - | 0.80 | - |
| Santander Atlas Port 6 Acc Inst | 169.40 | - | 0.70 | - |
| Santander Atlas Port 7 Acc Ret | 217.00 | - | 1.00 | - |
| Santander Atlas Port 7 Acc Inst | 171.70 | - | 0.80 | - |
| **Authorised Inv Funds** | | | | |
| Max 70% Shs Acc Ret | 171.40 | - | 0.50 | - |
| Max 70% Shs Inc Ret | 146.20 | - | 0.30 | - |
| Investments Inc Acc Ret | 160.10 | - | 0.80 | - |
| Investments Inc Inc Ret | 107.50 | - | 0.50 | - |
| Equity Inc Inc Inst | 249.30 | - | 2.10 | - |
| Equity Inc Inc Ret | 214.80 | - | 1.80 | - |
| N&P UK Gwth Inc Ret | 168.80 | - | 1.80 | - |
| Stckmkt 100 Track Gwth Acc Inst | 99.20 | - | 1.18 | - |
| Stckmkt 100 Track Gwth Acc Ret | 182.70 | - | 2.10 | - |
| UK Growth Acc Inst | 288.10 | - | 3.20 | - |
| UK Growth Acc Ret | 335.20 | - | 3.70 | - |
| UK Growth Inc Ret | 225.50 | - | 2.50 | - |
| **Managed OEIC** | | | | |
| Glob Em Shs Port Acc Ret | 178.30 | - | 1.30 | - |
| Max 70% Shs Port Acc Ret | 264.80 | - | 1.40 | - |
| Max 70% Shs Port Acc X | 190.20 | - | 1.00 | - |
| Max 70% Shs Port Acc S | 153.60 | - | 0.80 | - |
| Investment Port Acc Ret | 237.70 | - | 0.90 | - |
| Investment Port Acc X | 168.50 | - | 0.60 | - |
| Max 50% Shs Port Acc Ret | 252.60 | - | 1.20 | - |
| Max 50% Shs Port Inc Ret | 227.90 | - | 1.10 | - |
| Max 50% Shs Port Acc X | 182.90 | - | 0.90 | - |
| Max 50% Shs Port Acc S | 153.00 | - | 0.70 | - |
| Max 100% Shs Port Acc Ret | 297.40 | - | 0.00 | - |
| Max 100% Shs Port Acc X | 213.50 | - | 0.00 | - |
| Max 100% Shs Port Acc S | 155.40 | - | 0.00 | - |
| Enhanced Inc Inc Ins | 216.90 | - | 1.90 | - |
| Enhanced Inc Inc Ret | 206.10 | - | 1.80 | - |
| Enhanced Inc Inc X | 174.50 | - | 1.50 | - |
| **Managed Investments OEIC** | | | | |
| Max 30% Shs Port Acc Ret | 159.50 | - | 0.60 | - |
| Max 30% Shs Port Acc X | 159.50 | - | 0.60 | - |
| Max 30% Shs Port Acc S | 153.10 | - | 0.60 | - |
| Max 30% Shs Inc Port Inc Ret | 160.00 | - | 0.80 | - |
| Max 30% Shs Inc Port Inc X | 160.10 | - | 0.90 | - |
| Max 30% Shs Inc Port Inc S | 153.40 | - | 0.80 | - |
| Max 60% Shs Port Acc Ret | 275.50 | - | 1.80 | - |
| Max 60% Shs Port Inc Ret | 223.70 | - | 1.50 | - |
| Max 60% Shs Port Inc X | 173.20 | - | 1.10 | - |
| Max 60% Shs Port Inc S | 152.30 | - | 1.00 | - |
| Eq Inc Port Acc Ret | 302.10 | - | 2.70 | - |
| Eq Inc Port Inc Ret | 240.80 | - | 2.10 | - |
| **Managed Investments OEIC 2** | | | | |
| Investments Inc Port Inc Ret | 172.80 | - | 0.80 | - |
| Investments Inc Port Inc X | 156.50 | - | 0.70 | - |
| £ Gov Bond Inc Inst | 181.20 | - | 1.20 | - |
| Strat Bond Inc Inst | 187.20 | - | 0.30 | - |
| **Managed Investments OEIC 3** | | | | |
| Div Inc Port Inc Ret | 179.80 | - | 1.30 | - |
| Corp Bond Acc Inst | 218.10 | - | 1.10 | - |
| **Multi-Manager OEIC** | | | | |
| Bal Intl Track Acc Ret | 280.60 | - | 2.20 | - |
| Bond Mthly Inc Acc Ret | 146.80 | - | 0.50 | - |
| Bond Mthly Inc Inc Ret | 95.83 | - | 0.30 | - |

### Santander Asset Management UK Limited (1200)F (UK)
287 St Vincent Street, Glasgow G2 5NB 0845 605 4400
**Authorised Inv Funds**
**Santander Premium Fund (OEIC)**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| **A Shares** | | | | |
| Europe (ex-UK) | 286.00 | - | 0.00 | - |
| Japan Equities | 162.80 | - | -2.50 | - |
| Pacific Bas (ex-Japan) | 572.20 | - | -0.50 | - |
| Sterling Bonds | 271.90 | - | 1.20 | - |
| UK Equities | 272.10 | - | 2.80 | - |
| US Equities | 275.90 | - | -1.10 | - |
| **B Shares** | | | | |
| Pacific Bas (ex-Japan) | 571.30 | - | -0.60 | - |

### Saracen Fund Managers Ltd (1000)F (UK)
19 Rutland Square, Edinburgh EH1 2BB
Dealing: 00 353 1 603 9921
Saracen Investment Funds ICVC (OEIC) Enq. 0131 202 9100
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Saracen Growth Fd Alpha Acc | £ 3.56 | - | 0.03 | 1.01 |
| Saracen Growth Fd Beta Acc | £ 5.66 | - | 0.04 | 1.52 |
| Saracen Global Income & Growth Fund A - Acc | £ 1.27 | - | 0.02 | 2.81 |
| Saracen Global Income & Growth Fund A - Dist | £ 1.20 | - | 0.02 | 2.87 |
| Saracen Global Income and Growth Fund -Acc # | £ 1.57 | - | 0.03 | 3.17 |
| Saracen Global Income and Growth Fund -Dist # | £ 1.41 | - | 0.02 | 3.26 |

For Save & Prosper please see Countrywide Assured

### Schroder Property Managers (Jersey) Ltd
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Indirect Real Estate SIRE | £ 126.03 | 131.12 | 0.65 | 2.77 |

### Scottish Friendly Asset Managers Ltd (UK)
Scottish Friendly Hse, 16 Blythswood Sq, Glasgow G2 4HJ 0141 275 5000
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Managed Growth ♦ | 239.50 | - | 2.60 | 0.00 |
| UK Growth ♦ | 257.90 | - | 3.10 | 0.00 |

### SIA (SIA Funds AG) (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| LTIF Alpha | € 176.07 | - | 0.16 | 0.00 |
| LTIF Classic | € 371.21 | - | 1.89 | 0.00 |
| LTIF Natural Resources | € 82.95 | - | 0.78 | 0.00 |

### SIA (SIA Funds AG) (CH)
**Other International Fds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| LTIF Stability Growth | SFr 215.80 | - | 1.60 | - |
| LTIF Stability Inc Plus | SFr 191.70 | - | 1.50 | 5.34 |

### Smith & Williamson Investment Management (1200)F (UK)
25 Moorgate, London, EC2R 6AY 020 7131 8100
www.sandwfunds.com
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| European Growth Trust A Class | 526.70 | - | -1.00 | 1.31 |
| Far Eastern Income and Growth Trust A Class | 434.00 | - | -1.90 | 2.74 |
| Fixed Interest Trust A Class | 126.90xd | - | 0.60 | 3.88 |
| Global Gold and Resource Trust A Class | 157.60 | - | 2.70 | 0.00 |
| MM Endurance Balanced Fund A Class | 221.90 | - | 1.00 | 1.04 |
| MM Global Investment Fund A Class | 2286.00 | - | 2.00 | 1.52 |
| North American Trust A Class | 1855.00 | - | -16.00 | 0.00 |
| Oriental Growth Fund A Class | 154.10 | - | -0.70 | 1.57 |
| UK Equity Growth Trust A Class | 432.00 | - | 5.60 | 0.78 |
| UK Equity Income Trust A Class | 235.30 | - | 1.90 | 5.43 |

### Smith & Williamson Fd Admin Ltd (1200)F (UK)
25 Moorgate, London, EC2R 6AY 0141 222 1150
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| S&W Deucalion Fd (OEIC) | 2136.00 | - | 25.00 | 0.37 |
| S & W Magnum | 395.70 | 418.00 | 1.60 | 1.48 |
| S & W Marathon Trust | 193.80 | 205.00 | 0.10 | 1.62 |
| Charity Value and Income Fund Acc | 139.50 | 140.30 | 1.10 | 4.45 |
| Charity Value and Income Fund Inc | 97.07 | 97.62 | 0.75 | 4.57 |

### SMT Fund Services (Ireland) Limited
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Monthly Dividend High Yield | $ 6.95 | - | -0.01 | 0.00 |
| **Daiwa Gaika MMF** | | | | |
| AU$ Portfolio | A$ 0.01 | - | 0.00 | - |
| US$ Portfolio | $ 0.01 | - | 0.00 | - |
| Canadian Dllr Pfolio | C$ 0.01 | - | 0.00 | - |
| New Zealand Dllr Pfolio | NZ$ 0.01 | - | 0.00 | - |
| **Daiwa Bond Series** | | | | |
| Monthly Dividend AUD Bd | A$ 10.57 | - | 0.04 | 0.00 |
| Monthly Dividend EUR Bd | € 11.09 | - | -0.03 | 0.00 |
| Monthly Dividend CAD Bd | C$ 10.48 | - | 0.03 | 0.00 |
| Mthly Div US Preferred Secs | $ 8.00 | - | 0.02 | 0.00 |
| **Daiwa Equity Fund Series** | | | | |
| New Major Economies | $ 8.91 | - | 0.07 | 0.00 |

### Standard Life Wealth (JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130
**FCA Recognised**
**Standard Life Offshore Strategy Fund Limited**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Bridge Fund | £ 1.6876 | - | 0.0033 | 2.36 |
| Diversified Assets Fund | £ 1.2197 | - | 0.0027 | 2.95 |
| Global Equity Fund | £ 1.9415 | - | -0.0070 | 1.25 |
| Global Balanced Fund - Income Units | £ 1.4166 | - | 0.0002 | 1.57 |
| Global Balanced Fund - Accumulations Units | £ 1.6237 | - | 0.0003 | 1.55 |
| Global Fixed Interest Fund | £ 1.0463 | - | 0.0020 | 3.48 |
| Sterling Fixed Interest Fund | £ 0.8928 | - | 0.0041 | 3.17 |
| UK Equity Fund | £ 2.0506 | - | 0.0269 | 2.70 |

STENHAM ASSET MANAGEMENT

### Stenham Asset Management Inc
www.stenhamassetmanagement.com
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Stenham Asia USD | $ 134.92 | - | 2.39 | - |
| Stenham Credit Opportunities A Class USD | $ 106.15 | - | 1.06 | 0.00 |
| Stenham Emerging Markets USD B1 | $ 110.25 | - | 1.94 | 0.00 |
| Stenham Gold USD | $ 164.30 | - | -7.41 | 0.00 |
| Stenham Growth USD | $ 221.17 | - | 8.35 | - |
| Stenham Healthcare USD | $ 184.16 | - | 6.49 | 0.00 |
| Stenham Helix USD | $ 31.00 | - | -73.66 | - |
| Stenham Managed Fund USD | $ 117.38 | - | 3.30 | - |
| Stenham Multi Strategy USD | $ 121.85 | - | 3.60 | - |
| Stenham Quadrant USD A | $ 397.81 | - | -0.42 | - |
| Stenham Trading Inc USD | $ 115.20 | - | -0.11 | - |
| Stenham Universal USD | $ 453.72 | - | 12.69 | - |
| Stenham Universal II USD | $ 168.73 | - | 4.66 | 0.00 |

### Stratton Street Capital (CI) Limited (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Japanese Synthetic Warrant | ¥ 1396.71 | - | 89.98 | 0.00 |
| Japan Synthetic Warrant GBP Hedged Participating Shares | £ 159.64 | - | 15.33 | 0.00 |
| Japan Synthetic Warrant Fund USD Class | $ 14.94 | - | 0.80 | 0.00 |
| Japan Synthetic Warrant US Dollar Hedged Participating Shares | $ 158.21 | - | 15.18 | 0.00 |
| Renminbi Bond Fund AUD Cls A | A$ 116.44 | - | -0.11 | 4.03 |
| Renminbi Bond Fund AUD Cls B | A$ 118.33 | - | -0.11 | 3.76 |
| Renminbi Bond Fund CHF Cls A | SFr 115.65 | - | -0.11 | 4.01 |
| Renminbi Bond Fund CHF Cls B | SFr 115.58 | - | -0.11 | 3.76 |
| Renminbi Bond Fund CNH Cls A | CNH 120.17 | - | -0.28 | 3.55 |
| Renminbi Bond Fund CNH Cls B | CNH 120.07 | - | -0.27 | 3.30 |
| Renminbi Bond Fund EUR Cls A | € 116.59 | - | -0.12 | 3.78 |
| Renminbi Bond Fund GBP Cls B | £ 118.06 | - | -0.12 | 3.57 |
| Renminbi Bond Fund SGD Cls A | S$ 117.47 | - | -0.11 | 3.54 |
| Renminbi Bond Fund SGD Cls B | S$ 117.47 | - | -0.12 | 3.32 |
| Renminbi Bond Fund USD Cls A | $ 119.74 | - | -0.12 | 4.08 |
| Renminbi Bond Fund YEN Cls B | ¥ 13009.67 | - | -12.99 | 0.00 |
| Renminbi Bond Fund USD Class | $ 161.99 | - | -0.16 | 3.58 |
| Renminbi Bond Fund GBP Class | £ 161.57 | - | -0.15 | 3.83 |
| Renminbi Bond Fund SGD Class | S$ 158.47 | - | -0.15 | 3.79 |
| Renminbi Bond Fund YEN Class | ¥ 19230.43 | - | -18.77 | 0.00 |
| Renminbi Bond Fund EUR Class | € 107.09 | - | -0.10 | 4.03 |
| Poland Geared Growth | € 0.51 | - | -0.02 | 0.00 |

EI STURDZA

### E.I. Sturdza Strategic Management Limited (GSY)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Nippon Growth Fund Limited | ¥ 104277.00 | - | -176.00 | 0.00 |
| Strat Evrazih Japan Fd Ltd JPY | ¥ 94889.00 | - | 1668.00 | 0.00 |
| Strat Evrazih Japan Fd Ltd USD | $ 947.04 | - | 16.81 | 0.00 |

### E.I. Sturdza Funds PLC (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Nippon Growth (UCITS) Fund Euro Hedged Class (EUR) | € 1154.02 | - | 13.46 | 0.00 |
| Nippon Growth (UCITS) Fund Euro Hedged Class | € 1352.95 | - | 15.67 | 0.00 |
| Nippon Growth (UCITS) Fund JPY Class A | ¥ 105712.00 | - | 1236.00 | 0.00 |
| Nippon Growth (UCITS) Fund JPY Class B | ¥ 98671.00 | - | 1151.00 | 0.00 |
| Nippon Growth (UCITS) Fund JPY Class C | ¥ 86134.00 | - | 1009.00 | 0.00 |
| Nippon Growth (UCITS) Fund JPY Class | ¥ 97207.00 | - | 871.00 | 0.00 |
| Strategic China Panda Fund USD | $ 2311.72 | - | 26.93 | 0.00 |
| Strategic China Panda Fund EUR | € 2248.53 | - | 25.92 | 0.00 |
| Strategic China Panda Fund Hedged Sterling | £ 2280.62 | - | 26.85 | 0.00 |
| Strategic Euro Bond Accumulating Class CHF | SFr 1016.38 | - | -0.50 | 0.00 |
| Strategic Euro Bond Institutional Class EUR | € 1032.53 | - | -0.43 | 0.00 |
| Strategic Euro Bond Accumulating Class Sterling | £ 1182.24 | - | -0.52 | 0.00 |
| Strategic Euro Bond Fund Distributing Class Sterling | £ 1060.85 | - | -0.47 | 0.00 |
| Strategic Euro Bond Fund Accumulating Class USD | $ 1097.57 | - | 13.39 | 0.00 |
| Strategic Global Bond USD Acc | $ 1065.09 | - | 4.93 | 0.00 |
| Strategic US Momentum and Value Fund | $ 867.75 | - | 6.14 | 0.00 |
| Strategic US Momentum and Value Fund Hedged | € 604.99 | - | 4.17 | 0.00 |
| Strategic US Momentum and Value Fund Hedged | £ 609.70 | - | 4.08 | 0.00 |

### Taube Hodson Stonex Ptnrs UT (1200)F (UK)
50 Bank Street, Canary Wharf, London E14 5NT
Admin: 50 Bank Street, Canary Wharf, London E14 5NT
Dealing & Enquiries: 0870 870 8433
**Authorised Inv Funds**
**THS Growth & Value Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| **International** | | | | |
| IGV - Inc A | 349.50 | - | -0.60 | 1.78 |
| IGV - Inc B | 347.90 | - | -0.60 | 1.06 |
| IGV - Acc X | 419.50 | - | -0.70 | 1.29 |
| IGV - Acc Y | 448.60 | - | -0.70 | 1.74 |
| IGV - Acc Z | 417.40 | - | -0.70 | 1.04 |
| **European** | | | | |
| EGV - Acc S | 274.80 | - | 0.40 | - |
| EGV - Acc Z | 274.80 | - | 0.40 | 0.25 |
| **Continental** | | | | |
| CVG - Acc S | 110.90 | - | -0.10 | - |
| CVG - Acc X | 110.90 | - | -0.10 | - |

### The Hartford International Funds (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Gbl Govt Bond (Ex Japan) Index (GBP) | £ 1649.79 | - | 14.48 | 0.00 |
| UK Corporate Bond | £ 1610.15 | - | 5.96 | 0.00 |
| Gilt | £ 1601.32 | - | 8.31 | 0.00 |
| Global Eq (Ex Japan) Index Fund | ¥ 1.43 | - | 0.02 | 0.00 |
| Global Eq (ex Japan) Class HJ4 | ¥ 1.48 | - | 0.01 | 0.00 |
| Global Eq (ex Japan) Class JP5 | ¥ 1.60 | - | 0.01 | 0.00 |
| Global Eq (ex Japan) Index Fund (Hedged) | ¥ 1.46 | - | 0.01 | 0.00 |
| Gbl Govt Bond (Ex Japan) Index | ¥ 1.34 | - | 0.01 | 0.00 |
| Gbl Govt Bond (ex Japan) Class JP4 | ¥ 1.31 | - | 0.00 | 0.00 |
| Japan Equity Index Fund | ¥ 1.07 | - | -0.01 | 0.00 |
| Japan Equity Class JP3 | ¥ 1.30 | - | 0.00 | 0.00 |

### The National Investor (TNI)
www.tni.ae
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| TNI Blue Chip UAE Fund * | AED 9.86 | - | -0.17 | 0.00 |
| **TNI Funds Ltd (BMU)** | | | | |
| MENA Hedge Fund | $ 1012.08 | - | 46.25 | 0.00 |
| **TNI Funds Plc (Ireland)** | | | | |
| MENA UCITS Fund * | $ 1333.23 | - | -29.73 | 0.00 |

UBS

### The Resolution Fund (1200) (UK)
Tel 0870 870 8434
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Global Fixed Income O Acc F | 103.70 | - | 0.20 | 0.59 |
| Global Fixed Income O Inc F | £ 1.03 | - | 0.01 | 0.58 |
| Global Yield B Acc F | 120.80 | - | 0.50 | 1.58 |
| Global Yield B Inc F | 114.00 | - | 0.40 | 1.59 |
| Global Balanced B Acc F | 133.70 | - | 0.60 | 0.36 |
| Global Balanced B Inc F | 129.00 | - | 0.60 | 0.36 |
| Global Growth B Acc F | 143.00 | - | 0.70 | 0.28 |
| Global Growth B Inc F | 134.10 | - | 0.60 | 0.29 |
| Global Equity Fund B Acc F | 137.40 | - | 0.80 | 0.30 |
| Global Equity Fund B Inc F | £ 1.37 | - | 0.01 | 0.31 |
| UK Income Focus B Inc F | 67.80 | - | 0.40 | 3.18 |
| UK Income Focus B Acc F | 89.30 | - | 0.50 | 3.11 |
| UK Balanced B Inc F | 72.10 | - | 0.30 | 1.32 |
| UK Balanced B Acc F | 78.40 | - | 0.30 | 1.30 |
| UK Growth B Acc F | 80.00 | - | 0.40 | 1.17 |
| UK Growth B Inc F | 88.50 | - | 0.50 | 1.16 |
| UK Equity B Acc F | 90.10 | - | 0.80 | 2.23 |
| UK Equity B Inc F | 83.00 | - | 0.70 | 2.26 |

### Thesis Unit Trust Management Limited (UK)
Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP
**Authorised Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| TM New Court Fund A 2011 Inc | £ 13.56 | - | -0.04 | 0.00 |
| TM New Court Fund - A 2014 Acc | £ 13.59 | - | -0.04 | - |
| TM New Court Equity Growth Fund - Inc | £ 13.78 | - | -0.05 | 0.00 |

TOSCAFUND

### Toscafund (CYM)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Tosca | $ 285.99 | - | -1.67 | 0.00 |
| Tosca Mid Cap GBP | £ 240.87 | - | 13.28 | 0.00 |
| Tosca Opportunity B USD | $ 313.41 | - | 20.23 | 0.00 |

treetop ASSET MANAGEMENT

### TreeTop Asset Management S.A. (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| **TreeTop Convertible Sicav** | | | | |
| International A | € 311.62 | - | 0.79 | 0.00 |
| International B | € 400.82 | - | 1.23 | 0.00 |
| International C | € 138.96 | - | 0.43 | 0.00 |
| International D | € 297.13 | - | 0.73 | 0.00 |
| Pacific A | € 289.68 | - | -1.00 | 0.00 |
| Pacific B | € 367.31 | - | -0.94 | 0.00 |
| **TreeTop Global Sicav** | | | | |
| Global Opp.A | € 154.17 | - | 0.52 | 0.00 |
| Global Opp.B | € 151.09 | - | 0.71 | 0.00 |
| Global Opp.C | € 196.59 | - | 1.49 | 0.00 |
| Sequoia Equity A | € 149.10 | - | 0.69 | 0.00 |
| Sequoia Equity B | € 152.94 | - | 0.90 | 0.00 |
| Sequoia Equity C | € 178.36 | - | 1.57 | 3.48 |

TROY ASSET MANAGEMENT

### Troy Asset Mgt Ltd (UK)
40 Dukes Place, London EC3A 7NH
Order desk: 0845 608 0950, Enquiries 0845 608 0950
**Authorised Inv Funds**
**ACD Capita Financial Mgrs**
**Trojan Investment Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Spectrum Fund 'O' Acc ♦ | 165.20 | - | 0.64 | 0.22 |
| Spectrum Fund 'O' Inc ♦ | 161.11 | - | 0.62 | 0.22 |
| Trojan Fund O Acc ♦ | 257.12 | - | 0.71 | 0.55 |
| Trojan Fund O Inc ♦ | 213.90 | - | 0.59 | 0.55 |
| Trojan Global Equity O Acc | 213.00 | - | -0.93 | 0.89 |
| Trojan Global Equity O Inc | 182.72 | - | -0.79 | 0.89 |
| Trojan Income O Acc ♦ | 267.73 | - | 2.36 | 3.66 |
| Trojan Income O Inc ♦ | 172.26 | - | 1.52 | 3.78 |

### UBS Global Asset Mgmt Fds Ltd (UK)
21 Lombard Street, London, EC3V 9AH
Client Services 0800 587 2113, Client Dealing 0800 587 2112
www.ubs.com/retailfunds
**Authorised Inv Funds**
**OEIC**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Global Emrg Mkts Eqty B Acc | £ 1.46 | - | 0.00 | 1.49 |
| Global Optimal B Acc | £ 1.06 | - | -0.01 | 0.80 |
| UBS UK Opportunities Fund B Acc | £ 0.94 | - | 0.01 | 2.54 |
| US Equity B Acc | £ 1.57 | - | 0.00 | 0.27 |
| UBS Asian Consumption Fund - B Acc | £ 0.61 | - | 0.00 | 0.45 |
| UBS S&P 500 Index C Acc | £ 0.56 | - | 0.01 | - |
| UBS Targeted Return B Acc | £ 1.31 | - | 0.00 | 1.12 |
| UBS Sterling Corporate Bond Indexed Fund | 53.58 | - | 0.27 | 3.26 |
| UBS Multi Asset Income B Inc (net) | £ 0.52 | - | 0.00 | 3.68 |
| UBS UK Equity Income B Inc Net | £ 0.43 | - | 0.01 | 4.68 |
| Corporate Bond UK Plus B Inc Net | £ 0.54 | - | 0.00 | 4.00 |
| UBS Global Allocation (UK) B Acc | £ 1.14 | - | 0.00 | 1.56 |
| UBS Global Enhanced Equity Income C Inc | £ 0.51 | - | 0.01 | - |
| UBS US Growth Fund B Acc | £ 1.52 | - | -0.01 | 0.00 |
| UBS Emerging Markets Bond Fund B Inc | £ 0.44 | - | 0.00 | 5.08 |

### Unicapital Investments (LUX)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Investments III | € 25.40 | - | -51.15 | 0.00 |
| Investments IV - European Private Eq. | € 307.74 | 323.13 | 0.00 | - |
| Investments IV - Global Private Eq. | € 429.57 | 451.05 | 0.00 | 0.00 |

### Unicorn Asset Management Ltd (UK)
PO Box 10602, Chelmsford, CM1 9PD 0845 026 4287
**Authorised Inv Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| UK Growth A Inc | 371.91 | - | 1.26 | 0.00 |
| UK Growth A Acc | 383.78 | - | 1.83 | 0.00 |
| UK Growth B Inc | 373.27 | - | 1.27 | 0.25 |
| Mastertrust A Inc ♦ F | 326.75 | - | 1.64 | 0.40 |
| Outstanding British Cos A Acc ♦ F | 238.53 | - | 0.24 | 0.46 |
| Outstanding British Cos B Acc ♦ F | 227.05 | - | 0.26 | 1.18 |
| UK Smaller Cos A Inc ♦ F | 401.53 | - | 1.59 | 0.09 |
| UK Smaller Cos B Inc ♦ F | 389.66 | - | 1.57 | 0.83 |
| UK Income A Acc ♦ F | 253.95 | - | 1.44 | 6.07 |
| UK Income A Inc ♦ F | 234.44 | - | 1.33 | 6.32 |
| UK Income B Acc ♦ F | 268.27 | - | 1.54 | 6.03 |
| UK Income B Inc ♦ F | 247.77 | - | 1.42 | 6.28 |

### Value Partners Hong Kong Limited (IRL)
www.valuepartners.com.hk / vpl@vp.com.hk
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Value Partners Classic Equity USD Hedged | $ 14.13 | - | 0.03 | 0.00 |

### Veritas Asset Management LLP (IRL)
HSSI Ltd, 1 Grand Canal Sq, Grand Canal Harbour, Dublin 2, Ireland
Veritas Funds Plc
www.veritas-asset.com
+353 1 635 6799
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| **Institutional** | | | | |
| Veritas Asian Fund A USD H | $ 317.19 | - | 3.04 | 0.65 |
| Veritas Asian Fund A GBP H | £ 395.55 | - | -1.54 | 0.48 |
| Veritas Asian Fund A EUR H | € 344.36 | - | -0.18 | 0.40 |
| Veritas China Fund A USD | $ 137.00 | - | -0.09 | 0.00 |
| Veritas China Fund A GBP | £ 139.66 | - | -0.13 | 0.00 |
| Veritas China Fund A EUR | € 135.30 | - | -0.11 | 0.00 |
| Veritas Global Equity Income Fund D USD | $ 126.31 | - | 2.77 | 4.60 |
| Veritas Global Equity Income Fund D EUR | € 228.79 | - | 2.91 | 3.89 |
| Veritas Global Equity Income Fund D GBP | £ 164.68 | - | 0.77 | 4.52 |
| Veritas Global Focus Fund D USD | $ 25.81 | - | 0.35 | 2.75 |
| Veritas Global Focus Fund D EUR | € 24.29 | - | 0.10 | 2.56 |
| Veritas Global Focus Fund D GBP | £ 29.41 | - | -0.11 | 2.40 |
| Veritas Global Focus Fund A GBP | £ 28.37 | - | -0.11 | 2.19 |
| Veritas Global Focus Fund A EUR | € 14.15 | - | 0.06 | 2.03 |
| Veritas Global Focus Fund A USD | $ 24.89 | - | 0.34 | 2.31 |
| Veritas Global Focus Fund C GBP | £ 30.62 | - | -0.12 | 0.00 |
| Veritas Global Focus Fund C EUR | € 25.41 | - | 0.11 | 0.00 |
| Veritas Global Focus Fund C USD | $ 26.93 | - | 0.36 | 0.00 |
| Veritas Global Equity Income Fund A GBP | £ 158.12 | - | 0.74 | 4.54 |
| Veritas Global Equity Income Fund A EUR | € 229.83 | - | 2.82 | 3.91 |
| Veritas Global Equity Income Fund A USD | $ 121.77 | - | 2.66 | 4.62 |
| Veritas Global Equity Income Fund C GBP | £ 181.88 | - | 0.84 | - |
| Veritas Global Equity Income Fund C EUR | € 255.90 | - | 3.25 | - |
| Veritas Global Equity Income Fund C USD | $ 139.16 | - | 3.05 | - |
| Veritas Global Real Return Fund A USD | $ 20.79 | - | -0.13 | 2.06 |
| Veritas Global Real Return Fund A GBP | £ 11.57 | - | -0.07 | 2.05 |
| Veritas Global Real Return Fund A EUR | € 12.25 | - | -0.08 | 0.17 |
| **Retail** | | | | |
| Veritas Asian Fund B USD | $ 222.99 | - | 2.25 | 0.46 |
| Veritas Asian Fund B GBP | £ 291.48 | - | -1.02 | 0.04 |
| Veritas Asian Fund B EUR | € 253.35 | - | -0.13 | 0.00 |
| Veritas China Fund B USD | $ 134.86 | - | -0.12 | 0.00 |
| Veritas China Fund B EUR | € 142.13 | - | -0.13 | 0.00 |
| Veritas Global Focus Fund B USD | $ 17.97 | - | 0.24 | 1.67 |
| Veritas Global Focus Fund B GBP | £ 21.68 | - | -0.08 | 1.73 |
| Veritas Global Focus Fund B EUR | € 16.85 | - | 0.07 | 1.62 |
| Veritas Global Equity Income Fund B GBP | £ 145.99 | - | 0.68 | 4.59 |
| Veritas Global Equity Income Fund B EUR | € 205.09 | - | 2.60 | 3.95 |
| Veritas Global Equity Income Fund B USD | $ 121.16 | - | 2.65 | 4.67 |
| Veritas Global Real Return Fund B USD | $ 20.16 | - | -0.13 | 1.62 |
| Veritas Global Real Return Fund B GBP | £ 11.35 | - | -0.08 | 1.63 |
| Veritas Global Real Return Fund B EUR | € 13.12 | - | -0.08 | 1.44 |

### Veritas Asset Management LLP
www.veritas-asset.com
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Real Return Asian Fund USD (Est) | $ 287.68 | - | -5.71 | 0.00 |
| Real Return Asian Fund GBP (Est) | £ 305.75 | - | -6.00 | 0.00 |
| Real Return Asian Fund EUR (Est) | € 301.12 | - | -5.76 | 0.00 |

### Waverton Investment Funds Plc (1600)F (IRL)
waverton.investments@citi.com
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Waverton Asia Pacific A USD | $ 19.85 | - | 0.12 | 1.04 |
| Waverton European Fund A Eur | € 18.78 | - | 0.13 | 0.32 |
| Waverton Global Bond Fund Cls A | $ 9.29 | - | -0.02 | 5.09 |
| Waverton Global Equity Fund A GBP | £ 15.22 | - | -0.08 | 0.24 |
| Waverton UK Fund A GBP | £ 13.63 | - | 0.15 | 1.81 |
| Waverton Global Equity Fund A GBP | £ 15.77 | - | -0.02 | 0.00 |
| Waverton Sterling Bond Fund A GBP | £ 9.94 | - | -0.05 | 5.18 |

### WA Fixed Income Fund Plc (IRL)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| European Multi-Sector | € 122.08 | - | -0.28 | 0.00 |

### Winton Capital Management
**Other International Funds**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Winton Futures USD Cls B | $ 1049.65 | - | 2.16 | 0.00 |
| Winton Futures EUR Cls C | € 294.58 | - | 0.52 | 0.00 |
| Winton Futures GBP Cls D | £ 321.70 | - | 0.67 | 0.00 |
| Winton Futures GBP Cls F | £ 124.09 | - | 0.26 | 0.00 |
| Winton Evolution USD Cls F | $ 1812.57 | - | 5.37 | 0.00 |
| Winton Evolution EUR Cls H | € 1425.23 | - | 3.80 | 0.00 |
| Winton Evolution GBP Cls G | £ 1447.12 | - | 4.33 | 0.00 |
| Winton Futures JPY Cls E | ¥ 20624.60 | - | 38.32 | 0.00 |

yuki

### Yuki International Limited (IRL)
Tel +44-20-7269-0207 www.yukifunds.com
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| **Yuki Mizuho Umbrella Fund** | | | | |
| Yuki Mizuho Japan Dynamic Growth | ¥ 7150.00 | - | -25.00 | 0.00 |
| Yuki Mizuho Japan Large Cap | ¥ 7526.00 | - | -26.00 | 0.00 |
| Yuki Japan Low Price | ¥ 25468.00 | - | -149.00 | 0.00 |
| Yuki Japan Value Select | ¥ 12471.00 | - | -52.00 | 0.00 |
| **YMR Umbrella Fund** | | | | |
| YMR N Growth | ¥ 17274.00 | - | -63.00 | 0.00 |
| **Yuki Asia Umbrella Fund** | | | | |
| Yuki Japan Rebounding Growth Fund | ¥ 23127.00 | - | -101.00 | 0.00 |

### Zadig Gestion (Memnon Fund) (LUX)
**FCA Recognised**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Memnon European Fund I GBP | £ 118.20 | - | 1.23 | 0.00 |

### Zebedee Capital Partners LLP (CYM)
**Regulated**

| Fund | Bid | Offer | +/- | Yield |
|---|---|---|---|---|
| Zebedee Focus Fund Limited Class A EURO Shares | € 169.78 | - | -0.96 | 0.00 |
| Zebedee Focus Fund Limited Class B USD Shares | $ 197.30 | - | -1.19 | 0.00 |
| Zebedee Focus Fund Limited Class A USD | $ 170.38 | - | -0.82 | 0.00 |

## Money Market Trusts and Bank Accounts

| | Gross | Net | Gross AER | Int Cr |
|---|---|---|---|---|
| **CCLA Investment Management Ltd** | | | | |
| Senator House 85 Queen Victoria Street, London EC4V 4ET | | | | |
| CBF Church of England Deposit Fund | 0.50 | - | 0.50 | Qtr |
| **CCLA Fund Managers Ltd** | | | | |
| Senator House 85 Queen Victoria Street, London EC4V 4ET | | | | |
| COIF Charities Deposit Fund | 0.45 | - | 0.45 | Qtr |

## Data Provided by

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## Guide to Data

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**Guide to pricing of Authorised Investment Funds** (compiled with the assistance of the IMA. The Investment Management Association, 65 Kingsway, London WC2B 6TD. Tel: +44 (0)20 7831 0898.)

**OEIC:** Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.

Different share classes are issued to reflect a different currency, charging structure or type of holder.

**Selling price:** Also called bid price. The price at which units in a unit trust are sold by investors.

**Buying price:** Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.

**Single price:** Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

**Treatment of manager's periodic capital charge:** The letter C denotes that the trust deducts all or part of the manager's/operator's periodic charge from capital, contact the manager/operator for full details of the effect of this course of action.

**Exit Charges:** The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.

**The symbols are as follows:** ✠ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; # 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available. Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers/operators must deal at a forward price on request, and may move to forward pricing at any time. Forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.

Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators. * Indicates funds which do not price on Fridays.

Charges for this advertising service are based on the number of lines published and the classification of the fund. Please contact **data@ft.com or call +44 (0)20 7873 3132** for further information.

## The Commodities Note

### 'Fracklog' rises as shale producers sit out oil slump

A catchy buzzword has been coined amid the growing number of shale wells that are "drilled but uncompleted" or "waiting on completion", writes **Ed Crooks** — "fracklog".

These wells still need to be fracked and fitted with equipment before the oil can flow, a phenomenon that is causing much debate across the industry.

Last month EOG Resources, the largest US shale producer, brought the term into focus when it said it was intentionally delaying the completion of certain wells.

Some analysts say the tactic will become significant this year as US oil prices recover and companies start output from uncompleted wells, bringing a rush of supply to the market — which could stop any recovery in its tracks.

EOG expects to add about 85 uncompleted wells this year, while Anadarko Petroleum has said it will drill but not complete 125 wells this year.

Apache said it would defer some completions, without giving a number, while Chesapeake Energy said it planned to build a "little bit of inventory" in uncompleted wells in the Eagle Ford shale.

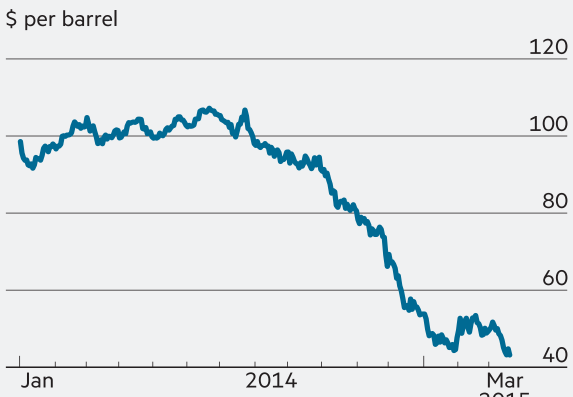
For some producers deferring completions makes sense. Finishing a well can account for between a half and three-quarters of its total cost, so slowing completions is a way to deliver capital spending cuts.

The contango in crude futures, with prices significantly higher for next year than for spot sales, creates an incentive to leave oil in the ground and extract it later.

And with activity slowing sharply, completion costs could be lower later in the year as companies that provide fracking and other services cut rates.

But many leading shale oil producers — including Marathon Oil, Whiting Petroleum and Hess — have said they do not plan to defer completions, so expecting US shale producers to coast to growth on a cushion of drilled but uncompleted wells would be a mistake.
**www.ft.com/commodities-note**

**WTI crude**
$ per barrel




Source: Thomson Reuters Datastream

## fastFT

### Leading dollar bull calls 'beginning of end' of rally

As the dollar erases much of Wednesday's steep slide, foreign exchange analysts at HSBC are calling the end of a greenback rally that has propelled the dollar index up by a quarter since June.

David Bloom, chief currency strategist — who forecast in 2013 that the dollar would rebound from its torpor in the years after the financial crisis — says: "Markets are so caught up in the price action they are ignoring anything that suggests the move might end.

"The feeling in the market is that we are in the middle of a sustained dollar rally, whereas we would argue this is, in fact, the beginning of the end of the bull run."

The case for greenback gloom has five broad foundations, according to HSBC: bullish news is in the price; America's economic outperformance is fading; investors are already too long dollars; the Federal Reserve won't tolerate too much more greenback vigour; and history suggests the rally has run its course.

Even as the European Central Bank's quantitative easing drives yields on eurozone debt to record lows, HSBC reckons the yield advantage that Treasuries hold over German debt is no longer a reason to buy the dollar.

"Unless one believes the Fed is going to be even more aggressive in delivering rate hikes, there are no grounds here for continuing to buy the dollar."

Investors are also wilfully ignoring a modest weakening in US economic data this quarter, just as the eurozone economy shows very tentative signs of stirring.

HSBC is raising its forecast for the euro next year from $1.05 to $1.10. It's an eye-catching, consensus-defying call.
**www.ft.com/fastFT**

Capital markets

# Ireland joins the negative yield club

## Dublin sale nearly four times subscribed after economy grows 4.8%

ELAINE MOORE — LONDON
VINCENT BOLAND — DUBLIN

Ireland, once the epicentre of a banking crisis so severe it required a multibillion-euro bailout, has become the latest country to sell public debt at a negative yield in a sign of how far markets are operating in unknown territory.

Dublin's €500m sale attracted bids of almost €2bn in spite of offering investors a guaranteed loss of 0.01 per cent if they hold the debt until it matures in six months.

Economic recovery in Ireland has been reflected in rising growth forecasts and stock prices this year, but investors say the country would not be able to borrow at a sub-zero yield were it not for wider abnormalities in debt markets.

Low interest rates, central bank bond buying programmes designed to kick-start growth and uncertain outlooks for the global economy have pushed up prices for the safest and most liquid assets, sending yields on government debt to record lows and below zero.

Across Europe negative-yielding debt accounts for about a quarter of the sovereign bond market, and in Switzerland investors accept negative yields to lend money to the government for more than a decade. Prices for government debt in Europe received a boost from the US Federal Reserve's apparent lack of a hurry to raise US interest rates.

The price gains pushed down yields, sending Germany's benchmark borrowing rate to a record low of 0.17 per cent yesterday morning, while the Irish equivalent remains close to its all-time low of 0.72 per cent.

Governments have moved to take advantage of the ultra-low yields in capital markets by speeding up plans for debt issuance and selling longer-dated bonds that will lock in the current low rates for longer.

Armenia is planning a sale of 10-year dollar debt, expected to yield about 7.625 per cent, and Peru is re-opening an existing bond that will mature in 2050.

This week Slovenia issued its longest-dated bond, raising €1bn in debt that will not be repaid for 20 years at a rate of just 1.55 per cent. The sale was notable for being the country's longest-dated bond as well as for representing the lowest rate it has borrowed at.

Ireland's National Treasury Management Agency made its return to capital markets as official data showed that the Irish economy had expanded 4.8 per cent last year, the highest rate of any economy in the eurozone.

Unemployment is falling and economists say the decline in the value of the euro and a rise in tourism will give a boost to growth this year.

However, the rebound is coming off a deep trough and quarterly trends in Irish economic data are extremely volatile.

The size of the economy is still slightly below its 2008 peak — some 4 per cent, according to Kevin Daly, an economist at Goldman Sachs.

He has argued that the biggest risks investors face in Ireland are not economic but political, given the rise in support for Sinn Féin, the former political wing of the IRA, and for independent members of the Irish parliament.

**-0.01%**
Yield on €500bn offering, which matures in six months. It attracted bids close to €2bn

**0.72%**
All-time low of Ireland's benchmark borrowing rate, against Germany's 0.17%

Analysis. Capital markets

# 'Mittelstand' issuers in damage-limitation mode

## Germany's mid-cap sector seeks new start after bond defaults and insolvencies

CHRIS BRYANT — FRANKFURT
JEEVAN VASAGAR — BERLIN

Germany's Mittelstand bond market is being overhauled in an effort to improve transparency for investors following a reputation-damaging wave of defaults and insolvencies.

Five years after scores of small and medium-sized companies began issuing bonds to reduce their reliance on bank lending, the Mittelstand market has come close to a standstill. Retail investors have suffered losses and complain they were let down by a lack of disclosure about the risk of such securities.

Another wave of defaults is likely as €1.6bn of Mittelstand debt matures in 2017, followed by €2.1bn in 2018.

However, stronger market standards are expected to encourage issuance from modest-sized companies and help them diversify sources of funding.

The Düsseldorf stock exchange will no longer describe its mid-cap bond market segment as "Mittelstand" — a word usually associated with Germany's conservatively financed and risk-averse small business sector. Dirk Elberskirch, chief executive of the exchange, says: "We had a learning phase and in part of the market difficulties have arisen . . . It's time for a new start."

Walter Spaeth, whose law firm is suing several issuers on behalf of investors, says: "Mittelstand bonds were not conservative and safe, but instead were associated with big risks. The prospectuses were too optimistic and potential problems were downplayed, so investors were not fully aware of the risks."

The small family-owned companies that compose the Mittelstand have for generations relied almost exclusively on lending from local and regional banks. But the financial crisis and subsequent tighter regulation of banks triggered worries about access to long-term finance and tempted companies to tap a nascent market for Mittelstand bonds.

The first Mittelstand bond market opened in 2010 in Stuttgart, and Düsseldorf and Frankfurt soon followed suit. Retail investors were attracted by bond coupons paying about 7 per cent and the chance to place their money with the reliable German SME sector. Mittelstand issuers raised nearly €7bn in capital between 2010 and last year.

But soon the troubles began. Out of 192 bond issues there have been 26 corporate defaults and four selective bond defaults across Mittelstand bond markets since 2010, including 11 last year.

The earlier defaults came in the solar panel industry, but difficulties have spread. Fashion companies including Rena Lange and Strenesse, the property developer Golden Gate, and Zamek, which makes seasonings for the catering industry, were among defaulters.

Big refinancing waves loom in 2017 and 2018, according to Berlin-based Scope Ratings. Britta Holt, its executive director, says: "We have a huge refinancing risk in this market."

In the worst-case scenario, warns Mr Spaeth, the insolvencies risk "awaking memories" of Germany's "New Market" crash of 2000-03, when several listed tech companies failed amid a spate of corporate scandals.

A big reason for the defaults is that some issuers of "Mittelstand" bonds were not worthy of the name. "The word 'Mittelstand' was one of the marketing tools to make this market segment more attractive," says Hendrik Haag, partner for capital markets at law firm Hengeler Mueller in Frankfurt. "But this may have been a bit misleading. These weren't typical Mittelstand companies."

In Stuttgart the mid-cap bond market is called Bond-M. However, the Frankfurt exchange avoided using the term and instead called its small and mid-cap bond market "Entry Standard". Eric Leupold, responsible for Entry Standard at Deutsche Börse, says the term Mittelstand bonds "does not provide an accurate picture of the segment".

Some companies clearly issued bonds after their banks had declined loans. "For some the issuance of an SME bond was the last resort," says Ms Holt.

Relatively inexperienced retail investors were less likely to demand covenants that protect bondholders' interests. According to Michael Baur, Germany chief of AlixPartners, the consultancy, the involvement of retail investors means "it can be hard to restructure these companies once they get into difficulties".

Negative press coverage of defaults, insolvencies and lawsuits has hurt issuance. Frank Tschentscher, an insolvency expert at the Schultze & Braun law firm, says the SME bond market has "suffered immensely as a result of the recent series of failures".

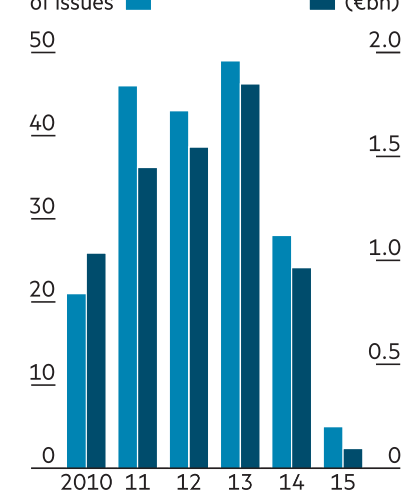
Most market watchers say the rationale of encouraging Mittelstand companies to diversify sources of funding is intact, even though most can currently obtain bank loans at very low rates.

Once the wheat has been sorted from the chaff, says Mr Tschentscher, "there is a good chance that the previous boom may — after a short dip — continue".

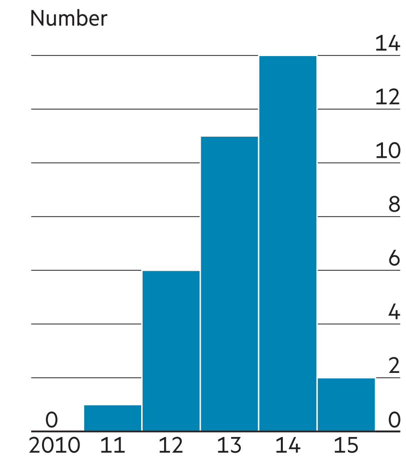
Mr Baur calls the defaults "a small sliver of an otherwise solid and conservatively financed SME segment, which remains the backbone of the German economy".


**The Strenesse fashion house, which was among the defaulters, filed for insolvency last year** — Gareth Cattermole/Getty Images

**Mittelstand bond issuance**




**Bond defaults**
Number




Source: Scope Ratings

Commodities

# Greece and US buck rising appetite for meat

EMIKO TERAZONO

**Greece saw the largest fall in meat consumption globally in 2014 as the recession hit disposable incomes amid rising prices for fresh meat.**

A 2.1 per cent decline in Greek meat sales outstripped falls in demand for fresh foods, which edged down 1.4 per cent, according to research from Euromonitor, the consumer data group.

The only fresh food categories that saw increases in consumption in the struggling European country was nuts, which rose 1.4 per cent, and pulses, which gained 1.5 per cent.

Meat consumption is closely linked to disposable income, according to Anastasia Alieva, head of fresh food research at Euromonitor. Meat prices remained high last year, which curbed demand.

In India, where a third of the population is vegetarian, meat consumption rose the fastest, with a 10.3 per cent increase last year. Since 2009 India's annual disposable income has risen 95 per cent and meat consumption has risen nearly 50 per cent.

In China, the largest meat market, consumption rose 3 per cent, but demand for beef and veal, at 5 per cent, has been stronger than the 3 per cent for pork, traditionally the most popular meat, as disposable income has grown.

Asian demand is fuelling imports and acquisitions of US meat processing companies by regional groups.

Meanwhile, meat consumption among Americans ebbed, with volumes down 1 per cent. Eggs, on the other hand, rose 3 per cent as consumers looked for alternatives to meat.

"Eggs are tasty, nutritious, versatile and relatively cheap," said Euromonitor, adding that sales would be fuelled as eggs shed their high-cholesterol stigma.

The global meat market rose 3 per cent last year to 225m tonnes, driven by growing demand in emerging markets.

Poultry has become the most popular type of meat in the world with consumption increasing 4 per cent in volume terms to 85m tonnes.

Fish demand outstripped that for meat, rising 4.8 per cent.

Over the next few months, demand for beef and lamb is likely to be supported by falling prices. The UN Food and Agriculture Organization's meat price index fell in February because of lower beef and lamb prices.

Australian export prices for beef fell amid a falling currency against the US dollar and ample supplies. Brazilian beef prices were expected to be depressed for the same reasons.

Capital markets

# Loan fund outflows defy Fed rate outlook

JOEL LEWIN

**Money has continued to leave funds that invest in bank loans in spite of expectations of surging inflows.**

Investors seeking to protect themselves from US interest rate rises have driven huge inflows into such funds in the past.

Outflows, however, have continued for 47 of the past 48 weeks, meaning $27.5bn has left US bank loan funds since April 2014, according to data provider EPFR.

"It's a little bit of a head-scratcher," said Craig Russ, co-director of floating rate loans at Eaton Vance, the investment management firm. "The Fed is saying, 'Read our lips: we're going to be increasing interest rates yet', but the market doesn't believe it yet."

The outflows are unusual because bank loan funds offer investors protection against rate increases, which markets anticipate in June or September after the Federal Reserve dropped its pledge to be "patient" on raising interest rates on Wednesday.

But the soaring dollar and unexpectedly weak US data have created uncertainty in recent weeks. Market attention has focused on the Fed as it prepares to raise rates for the first time in almost a decade, bringing the curtain down on the longest period of ultra-loose monetary policy in history.

Rises in the Fed base rate, the benchmark for lending across the globe, will drive down the prices of bonds and potentially hurt equities, and investors will need protection against such moves.

"High-yield bank loan fund outflows have decelerated recently, but they haven't stopped completely," said Nikolaos Panigirtzoglou, global markets strategist at JPMorgan. "That weakness in flows is surprising because most investors expect the Fed to start raising rates around midyear, and HY loan funds give you protection from rate hikes relative to HY bond funds."

The interest rate paid on bank loans floats in line with a market benchmark tied to the Fed base rate, so the yield of these loans rises along with Fed rates.

In the "taper tantrum" of early 2013, when Ben Bernanke, Fed chairman at the time, hinted at interest rate rises and spooked markets, billions of dollars flooded into bank loan funds as investors sought to hedge against rate rises.

But the tide is slowly turning. Lipper, the fund tracker, recorded its first positive inflow for 30 weeks in the third week of February, suggesting flows are on the brink of reversing.

Global overview

# Dollar recovers after sharp sell-off but stocks and Treasuries retreat

## Focus remains on outlook for US monetary policy after Federal Reserve's dovish statement and interest rate projections

DAVE SHELLOCK

The dollar regained its poise after the previous session's dramatic sell-off and shorter-dated Treasury bond prices retreated as the markets continued to scrutinise the latest policy statement and interest rate projections from the Federal Reserve.

US stocks and crude oil prices also gave back some of their hefty gains, although gold extended its rebound from a four-month low.

As expected, the US central bank dropped its pledge to be "patient" before raising interest rates, although its statement, and chairwoman Janet Yellen's subsequent press conference, were deemed by most as more dovish than had been expected.

The so-called "dot-plot" projections of where interest rates would be in the future, made by individual Open Market Committee members, were downgraded significantly.

"It seems the Fed continues to believe the costs of hiking [rates] too early and too fast are clearly higher than the costs of being behind the curve and moving more slowly," said Anna Stupnytska, global economist at Fidelity Worldwide Investment.

"For this reason, the Fed will not move until they, and the markets, are absolutely sure. In this respect, three indicators are key to watch; unemployment and its broader measures; wage growth; and core inflation.

"Only a definitive turnround in these will give the Fed confidence to move ahead with the first hike but even then there will be no rush to keep tightening."

— Drew Angerer/Getty Images

**No impatience: FT.com/video**
John Authers comments on a dramatic market reaction to the latest words from the Federal Reserve — volatility lies ahead

However, there was certainly a rush to cover short positions in euro/dollar on Wednesday. Indeed, at one point, the euro sported a rich four-cent rise on the day against the US **currency**, to within a whisker of $1.10.

But the dollar quickly reasserted its upward momentum, leaving the single currency down 2.1 per cent yesterday at $1.0638.

The US unit was also 0.7 per cent stronger versus the yen at Y120.90 and up 1.4 per cent relative to the Swiss franc at SFr0.9915, having touched Y119.38 and SFr0.9626 in the previous session.

"We had highlighted the potential for some correction in US dollar strength but what transpired was certainly a lot more extreme than we had anticipated," said Derek Halpenny, European head of global market research at Bank of Tokyo Mitsubishi UFJ.

"The scale of the sell-off and the speed of the rebound for the dollar today tells us two things. Firstly, long dollar speculative positions are at extreme levels — we knew this already — and secondly, other market participants, such as corporations and real money investors, remain short dollars and are therefore eager to take advantage of any sell-off — we didn't know the extent of this."

Meanwhile, the two-year US **government bond** yield was up 5 basis points at 0.62 per cent, having touched 0.53 per cent on Wednesday, the lowest in six weeks. The 10-year yield was 3bp higher at 1.98 per cent.

Anthony Karydakis, chief economic strategist at Miller Tabak, noted that the apparent lack of urgency at the Fed to begin the rate normalisation process had triggered a sharp realignment of such expectations in the Federal funds futures market.

"The August contract represents a little more than a 40 per cent chance of a 25bp rate hike at either the June or July meeting," he said. "The November contract incorporates one full 25bp move at any of the three preceding meetings — June, July or September — and a roughly 20 per cent chance of a second hike during that period.

"The December contract reflects a Fed funds rate below the FOMC members' latest mean forecast of 0.625 per cent, by roughly 10bp."

US stocks pulled back after a 1.2 per cent rise for the S&P 500 on Wednesday. The **equity** benchmark fell 0.5 per cent yesterday to 2,089 — 1.3 per cent shy of a record close reached at the start of the month — with energy stocks undermined by a 2.7 per cent slide for Brent crude to $54.43 a barrel.

The pan-European FTSE Eurofirst 300 index rose 0.5 per cent, supported by a record high for the UK's FTSE 100.

Gold eased back from a session peak of $1,177 an ounce but was still up $4 at $1,170.

The German Bund yield, meanwhile, touched a record low of 0.17 per cent before ending 1bp softer at 0.19 per cent. Rising Greek government bond yields, however, continued to price in a growing risk of Athens exiting from the eurozone, analysts said.

"The fact that this is not having a much broader impact on eurozone bond markets will only keep the creditors wanting Greece to deliver on its promises, instead of asking for more concessions," said Divyang Shah, global strategist at IFR Markets.

## TRADING POST

### Jamie Chisholm

What have we confirmed from the market's febrile reaction to the Federal Reserve's latest policy statement? The Fed really, really matters to traders.

That sounds obvious, right? Yet there is much eye rolling over why investors get so het up about the prospect of a possible 0.25 basis point increase in borrowing costs.

These cynics base assumptions on past cycles. Several years of all-but-zero interest rates have distorted markets, hobbling the valuation mechanism, increasing gearing and risk taking to dangerous levels, and creating a cohort of investors unfamiliar with rising US rates.

The euro had a round trip of nearly 8 per cent in the space of just 14 hours. "Twitchy" does not do it justice.

And stocks soared. Some may argue this was mainly the result of the buck's sharp retreat. The last earnings season was rich with CEOs bemoaning the greenback's ascent.

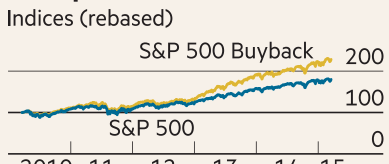
Yet the S&P 500 was quite happy trundling to records alongside the dollar's move to 12-year highs, until recently. Besides, the dollar reversed its losses, yet futures yesterday showed the S&P 500 holding most of Wednesday's gains.

More likely equities jumped because traders remain wedded to the idea of Fed dovishness equalling rising stocks as bond alternatives look ugly.

Falling profits forecasts? Pah! Earnings per share can be underpinned by selling debt at ludicrously low yields to buy back stock. If the Fed starts tightening, that sorcery becomes harder to do.

*jamie.chisholm@ft.com*

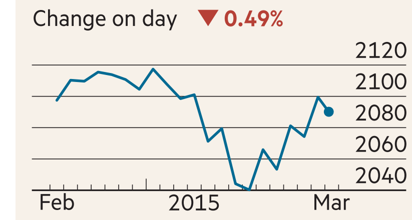
**US equities**
Indices (rebased)




Source: Thomson Reuters Datastream

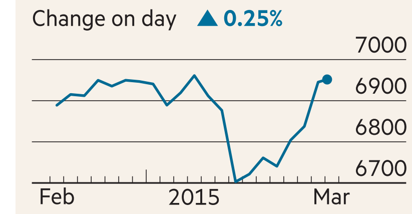
## Markets update

**S&P 500 index**
Change on day ▼ 0.49%



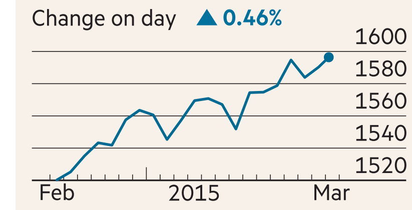

**US equities** The S&P 500 gave back some of the previous session's Fed-inspired rally, with energy stocks coming under pressure from a renewed slide in crude oil prices

**FTSE 100 index**
Change on day ▲ 0.25%



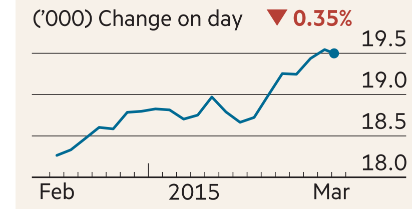

**UK equities** The FTSE 100 touched a record high as gold miners rose in response to a surge in the metal's price, but retailer Next fell 4 per cent after delivering a cautious outlook

**Eurofirst 300 index**
Change on day ▲ 0.46%

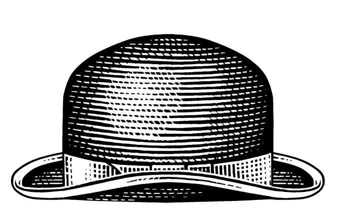



**European equities** The Italian bourse outperformed most of its rivals in the region, with Pirelli up 3.3 per cent after reports that the tyremaker was working on an extensive revamp plan

**Nikkei 225 index**
('000) Change on day ▼ 0.35%




**Japanese equities** The Nikkei eased back from a 15-year high although Nintendo extended Wednesday's strong rise by a further 11.8 per cent



London

## Ladbrokes falls on fears that online weakness will hit dividend

Bryce Elder

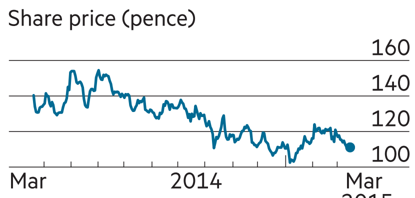
Growing fears of a dividend cut meant **Ladbrokes** was among yesterday's biggest fallers.

HSBC turned cautious on the bookmaker as part of a gambling sector review. It argued that while bookmakers were increasingly reliant on online custom, Ladbrokes' digital marketing spend had been declining as a share of revenue.

The strategy "suggests a short-sighted approach to protecting the dividend, or a product that isn't worth spending on", said HSBC. With a gulf opening up between the strongest and weakest online operators, Ladbrokes' new chief executive would need to cut the 8 per cent payout and sacrifice earnings to invest for the long term, the broker said.

Ladbrokes ended 2 per cent lower at 111.2p after HSBC set a 100p target.

**Ladbrokes**
Share price (pence)




Source: Thomson Reuters Datastream

| Indices | Close | Day's change |
|---|---|---|
| FTSE 100 | 6962.32 | 17.12 |
| FTSE 250 | 17438.15 | 74.41 |
| FTSE 350 | 3825.81 | 10.53 |
| FTSE All-Share | 3758.09 | 10.71 |
| FTSE All-Share Yield | 3.28 | |
| FTSE 100 Futures | 6916.00 | 40.00 |
| 10 yr Gilt Yield | 2.53 | -0.29 |
| 20yr Gilt All-Share Ratio | 0.70 | |

Precious metals miners lifted the wider market as the dovish Federal Reserve guidance weakened the dollar and lifted gold to a two-week high.

**Fresnillo** bounced 5.4 per cent to 679p while **Randgold Resources**, the recent subject of speculation about bid interest from Goldcorp of Canada, gained 3.2 per cent to £48.26. The FTSE 100 ended 0.3 per cent higher, up 17.12 points to 6,962.32.

Drugmaker **Shire** hit a record high, up 0.6 per cent to £36.35. The stock has bounced 52 per cent from its trough last year when political pressure led AbbVie to abandon a takeover offer valued at about £53 per share.

Leading the FTSE fallers **Next** slid 4 per cent to £73.15. The retailer trimmed 2016 sales guidance, with management blaming a less enthusiastic response than last year to some of its collections.

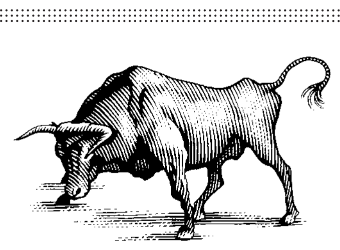
A sector switch helped **Marks and Spencer** gain 3.1 per cent to 531.5p, its highest since 2008. "In the absence of near-term UK interest rate rises, the UK consumer outlook remains fairly benign. However, we continue to prefer M&S for ecommerce catch-up, resilience in food and potential additional cash returns," said RBC.

**Supergroup** gained 5.2 per cent to 918.5p ahead of the findings of a strategic review, to be delivered by new chief executive Euan Sutherland next week. With £92.2m of net cash forecast at the year end, the fashion retailer could afford a cash return, and buy back its US licence or enter China with a local partner, said Investec, which repeated "buy" advice.

"We do not expect a radical change of direction from internationalising the brand, though we expect the focus to be on better retail execution and maximising UK profitability, where we see a major medium-term opportunity," the broker said. "An update on capital structure is also due, with potential for a dividend that would not impact the company's ability to do deals."

**Virgin Money** took on 2.5 per cent to 375.3p, with Canaccord Genuity putting a 445p target on the lender.

**APR Energy**, the generator hire specialist, lost 4.8 per cent to 358.3p after Citigroup advised selling. The likelihood that APR would breach its debt covenant this year meant an equity issue could not be ruled out, the broker said.



Wall Street

## Ports slowdown drags on Williams-Sonoma

Eric Platt

Next to Gap's slim fit khakis and Porsche 918 Spyders sit $200 cookware items and $4,100 leather sectional sofas from **Williams-Sonoma**, waiting to move from the docks on the US West Coast.

Williams-Sonoma, the luxury home goods retailer, reported weaker than anticipated fiscal fourth-quarter same-store sales on Wednesday as a worker slowdown at ports along the West Coast kept the company's products from reaching its shelves.

The retailer, which also owns the Pottery Barn and West Elm brands, said sales at stores open at least a year climbed 5.1 per cent in the three months to February 1, shy of Wall Street forecasts for a 5.9 per cent rise and its slowest gain in nearly two years.

Laura Alber, chief executive, put the issues down to the dispute at ports in California, Oregon and Washington, which have also disrupted Gap Inc and Porsche's supply chains.

"We are very pleased with our fourth-quarter results despite the effects of the West Coast port disruption," Ms Alber said. "Unfortunately, we expect this disruption to continue and to have a more significant impact through the first half of 2015."

As a result, Williams-Sonoma forecast lower than expected first-quarter and full-year sales targets. The company projects full-year sales to range between $4.95bn and $5.02bn, lower than Wall Street forecasts for $5.06bn. Same-store sales are expected to slow further in the first quarter before accelerating. Shares fell 2 per cent to $79.50 by close of trading yesterday.

Rival **Restoration Hardware** slipped 1 per cent to $90.74, while **Pier 1 Imports** rose 1 per cent to $13.41.

**Target** slid 1 per cent to $80.58 as the US retailer planned to increase the minimum wage it pays to employees who worked at its stores to $9 an hour, matching increases instituted by rivals including **Walmart** and TJMaxx, according to a person familiar with the matter. Expectations that the retailer would follow its peers had gained speed in recent weeks, and the increase is likely to be implemented when Target reviews pay for its employees in the spring. Walmart fell 1 per cent to $81.52, while **TJX**, the owner of TJMaxx, was little changed at $68.16.

Overall, US equities pared gains from a day earlier after the Federal Reserve indicated that it would raise rates at a slower pace than it had previously signalled. The S&P 500 fell 0.5 per cent to 2,089.28, while the Dow Jones Industrial Average slipped 0.7 per cent to 17,959.03. The Nasdaq Composite rose 0.2 per cent to 4,993.38.

# Markets & Investing
FINANCIAL TIMES

INSIGHT

Ralph Atkins

## Euro's fall highlights disruptive potential of central bank actions

The dollar's steep rise against the euro, which overshadowed this week's US Federal Reserve policy meeting, had been the big financial market upset of 2015. Euro weakness was the implicit object of the European Central Bank's quantitative easing programme, which had been well flagged before its start this month. However, the speed and extent of the euro's decline against the greenback took aback even seasoned currency market watchers.

Janet Yellen, Fed chairwoman, on Wednesday voiced the pain the stronger dollar was causing on the other side of the Atlantic, noting how it was hitting US exports. Her comments, with lower growth and inflation forecasts as well as projections of a slower pace of Fed monetary policy tightening, may have succeeded in braking the dollar's advance. Nevertheless, bafflement over why the euro had fallen so fast against the dollar highlights the disruptive potential of central bank actions. The volatility and uncertainty created by transatlantic divergences are in themselves damaging — to economies as well as investors.

The ECB started buying bonds on March 9. Even though its intentions were well known in advance — and could have been priced in — the euro fell 4 per cent against the dollar over the next five days, increasing to almost 25 per cent the single currency's decline since May last year. Falls on such a scale cannot reasonably be considered normal for advanced world economies — but they have become a feature of 2015. The Swiss franc rose up to 40 per cent against the euro when the prospect of eurozone QE forced Switzerland's central bank to abandon its cap on the currency in January.

> 'It was almost as if markets decided that the starting gun had been fired'

Using estimates of how the euro would have moved if it had existed before 1999, recent falls were greater even than in the early 1990s crisis in the European exchange rate mechanism — the "fixed but flexible" system that was the precursor to the euro. A better comparison is the big currency moves in the early 1980s that led to the Plaza accord, struck 30 years ago at New York's Plaza hotel, to halt the dollar's appreciation.

In the 1980s such international agreements had a degree of success in smoothing economic adjustment processes. These days such an approach is unlikely, partly because in the post-2007 crises world the previously abnormal seems normal. More practically, vastly expanded capital markets make intervention by central banks in the biggest foreign exchange markets much less likely to succeed, especially if their interests are not aligned.

Central banks around the world are instead engaged in "competitive easing". Sweden's Riksbank, for example, this week pushed its main interest rate even deeper into negative territory. Behind the dollar's rise against the euro has been a widening transatlantic interest rate gap. The "spread", or difference between the yield on 10-year US Treasuries and German equivalents, had also smashed through levels not seen since the 1980s.

Along with escalating worries about Greece, the trigger for the euro's unexpectedly dramatic plunge ahead of this week's Fed meeting may have been a realisation that the ECB was serious about an aggressive QE programme, which would drive an increasing volume of eurozone government bond yields even deeper into negative territory. "It was almost as if markets decided that the starting gun had been fired," says one currency strategist.

With the Fed meeting helping to narrow transatlantic interest rate differentials, the euro saw its biggest one-day jump against the dollar since 2009 on Wednesday, before falling back again yesterday.

Optimists could argue this year's trend decline in the euro has been a healthy normalisation process. In its early years, the euro was driven higher as managers of official reserve funds diversified from the dollar. More recently it was supported by the ECB's tardiness in launching QE or — seen from the eurozone hawks' perspective — the Fed's tardiness in raising US interest rates. The euro is back to early 1999 levels. Pessimists will worry about the whiplash moves in the euro-dollar rate, the grip of central banks over financial markets and the abrupt movements they can trigger — with the magnitude of the swings as great as ever as the Fed moves to policy normalisation.

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Analysis. Equities

## Nasdaq rally looks different this time

**Tech benchmark a less frothy beast than the one that last hit the 5,000 mark 15 years ago**

MICHAEL MACKENZIE — LONDON
ERIC PLATT — NEW YORK

Fifteen years ago "Who Let the Dogs Out" by the Baha Men rippled across the airwaves, *The Sopranos* was cultivating a new type of television audience, *Gladiator* triumphed at the box office and investors were buying the Nasdaq Composite at 5,000.

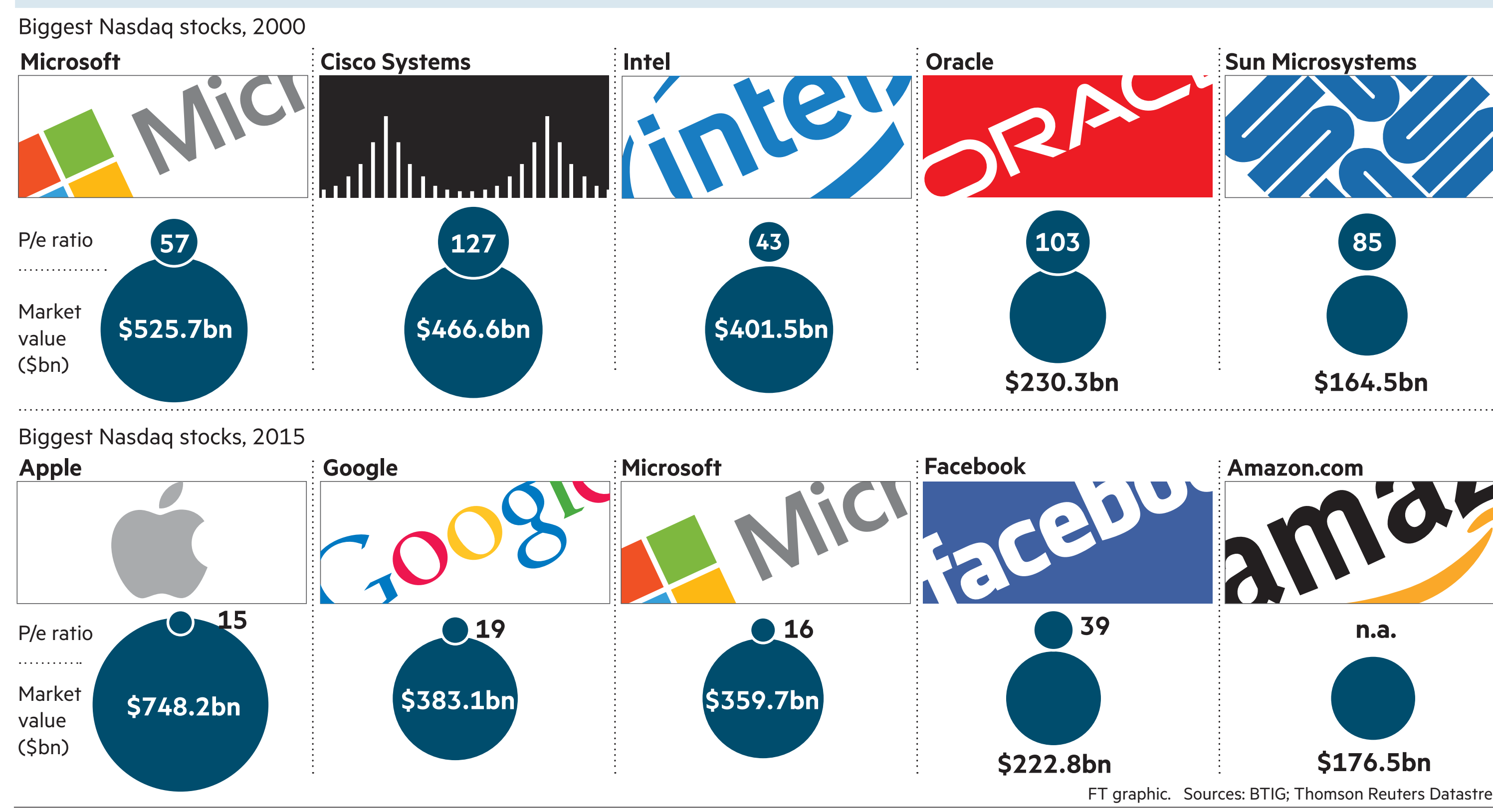
It has taken a decade-and-a-half for the US technology benchmark to revisit the heights seen during the dotcom mania that defined the bull market of the late 1990s. It recrossed the threshold on March 2 and, following a dip in subsequent sessions, came within 18 points of closing above 5,000 again after Wednesday's 0.9 per cent rally spurred by dovish comments from Janet Yellen, Federal Reserve chairwoman.

This time talk of any asset price bubble is way off the mark, say investors who believe earnings are robust and valuations reasonable. Jim Paulsen, chief investment strategist at Wells Capital Management, says the rally since the crisis has been a "very slow moving, well controlled run", in contrast with the tech bubble. In 1998 the Nasdaq soared 39.6 per cent, and 85.6 per cent in 1999. "We all knew it was a bubble, we all knew it was ridiculous, but you couldn't pull away because you would dramatically underperform," he says.

Another crucial difference is the fact that the Nasdaq today contains a host of stable companies producing prodigious amounts of cash, notably Apple and other tech titans. And rapidly growing companies at the cutting edge of innovation are producing revenues that leave more established rivals in the shade.

This week Adena Friedman, president of the Nasdaq OMX exchange, said its main US equity index was "fundamentally different" and that the addition of companies outside the tech sector had helped make it a "formidable reflection" of the global economy. Healthcare and consumer services are its second- and third-largest sectors.

### Those were the days




FT graphic. Sources: BTIG; Thomson Reuters Datastream

> US index has matured — it is 'no longer an overpriced playground'

Lukas Daalder, chief investment officer at Robeco Investment Solutions, says the proportion of tech stocks in the index has fallen from almost 60 per cent in 2000 to just over 40 per cent today, while the average length of a company's existence has risen from 15 years in 1999 to 25 last year. "The Nasdaq is no longer an overpriced playground for newcomers, but has matured into something more stable," says Mr Daalder.

Russ Koesterich, chief investment strategist at BlackRock, says long-term investors should stay in equities, even though the bull market in its seventh year and the Nasdaq is back at "a level synonymous with the excesses of the tech bubble".

In terms of valuations the Nasdaq trades at a trailing price-to-earnings ratio of 31 times, while back in 2000 it was 175 times. "That's not cheap, but certainly much less extreme," says Mr Koesterich. Among US equity benchmarks, the Nasdaq leads the way this year with a rise of more than 4 per cent. The S&P 500 is up less than 1 per cent.

Technology has outperformed, with biotechs up more than 17 per cent in 2015. "In a world of low nominal growth, there is a willingness to pay up for growth and companies with pricing power," says Vadim Zlotnikov, chief market strategist at AllianceBernstein.

"Relative to the broader market, technology still has more innovative companies, and those with pricing power and growth not tied to the economy."

Analysts expect revenues at the 10 largest Nasdaq companies to expand nearly 14 per cent this year, while blue-chip constituents of the S&P 500 are likely to struggle to grow at all, according to FactSet.

Dividend yields have also climbed — Apple is in part the exemplar, paying out $11bn in its past fiscal year — and hover above 1.25 per cent, more than six times the level in 2000. Biotech giant Gilead initiated a $2.5bn dividend on its common stock this year.

One risk is that broader economic growth reduces the premium for high-growth stocks. Should the Fed tighten policy and raise borrowing costs at a regular clip during the next year, investors could well sense a return of broader pricing power for companies.

"Investors interpret reflation as a sign that companies will step up and invest. More broad-based growth would hurt the Nasdaq," says Mr Zlotnikov.

Capital markets

## Bond traders see low rates in Fed 'dot plot'

SAM FLEMING — WASHINGTON
MICHAEL MACKENZIE — LONDON

**The Federal Reserve junked its low rates guidance on Wednesday, but another signalling device took on prominence in its place.**

In the hours after the Fed's statement was released its "dot plot", setting out officials' expectations for interest rates, proved to be one of the main drivers of market movements.

The chart sets out projections of future movements in the Fed's key rate made by each member of the Federal Open Market Committee for 2015, 2016 and 2017, as well as the longer run.

Dramatic reductions in median forecasts for official interest rates led to a sharp sell-off in the dollar and a pushback in expectations for when the Fed will tighten monetary policy.

While the Fed has blown hot and cold about the importance of the dot plot, Janet Yellen, its chairwoman, did not talk down the significance of the numbers.

She said the cuts in officials' rate estimates reflected weaker forecasts of inflation and a downgrade to people's assessments of the long-run normal unemployment rate.

Economists said Fed officials were using the dots as a way of reassuring markets that they did not intend to be aggressive in lifting rates — and that the first move might not come as soon as June.

That was an important message given that the Fed was scrapping its pledge to be "patient" before lifting interest rates.

"Dovish dots are a way to counter the hawkish signal from the removal of patience," said Thomas Costerg, an economist at Standard Chartered bank. "The Fed still wants to hold the hands of markets to some degree, and the dots are a way to do that."

The markdown in rate expectations was striking. FOMC members' median interest rate projections for 2015, 2016 and 2017 were reduced by 50-75 basis points from December.

The Treasury bond market has long forecast a much lower path for interest rates in the coming years than policy makers. In projecting a shallow path for rate rises, the FOMC was taking a step towards the market's view.

But the sharp reduction in projections has reinforced bond traders' views that interest rates will stay low in the coming years. Alan Ruskin, strategist at Deutsche Bank, said: "The Fed needed to get real relative to the market, but their revised dot plots ended up driving market expectations down."

Interest rate futures suggest the Fed's overnight borrowing rate will rise to 0.5 per cent by the end of the year. That compares with a FOMC estimate of 0.625 per cent, and down from a forecast of 1.125 per cent.

For the end of 2016, the bond market thinks the rate will rise to 1.25 per cent, versus a FOMC call of 1.875 per cent. By December 2017 the market expects borrowing costs to be about 1.85 per cent, well below the FOMC's estimate of 3.125 per cent.

As the dust settles from the Fed's meeting, the gulf between its officials' interest rate outlook and that of investors has not gone away.